

The House Committee on Transportation offers the following substitute to HB 170:

A BILL TO BE ENTITLED  
AN ACT

1 To amend various provisions of the Official Code of Georgia Annotated so as to provide for  
2 additional revenue necessary for funding transportation purposes in this state; to amend  
3 Chapter 2 of Title 20 of the Official Code of Georgia Annotated, relating to elementary and  
4 secondary education, so as to define education transportation purposes; to amend Title 40 of  
5 the Official Code of Georgia Annotated, relating to motor vehicles and traffic, so as to levy  
6 a registration fee on alternative fueled vehicles; to amend Chapter 12 of Title 45 of the  
7 Official Code of Georgia Annotated, relating to the Governor, so as to limit the Governor's  
8 power to suspend the collection of certain motor fuel taxes and require ratification by the  
9 General Assembly; to amend Title 48 of the Official Code of Georgia Annotated, relating to  
10 revenue and taxation, so as to reduce the state income tax credits for low-emission vehicles  
11 to zero; to provide for the elimination of sales and use taxes with respect to certain sales of  
12 motor fuels; to provide for revised definitions of certain terms relating to prepaid motor fuel  
13 taxes; to change the rate and method of computation of the excise tax on motor fuels; to  
14 repeal the second motor fuel tax; to provide for editorial revision; to prohibit the levy of  
15 certain local sales and use taxes on motor fuel; to prohibit the levy of local sales and use  
16 taxes on diesel fuel; to provide for the use of proceeds from the special purpose local option  
17 sales tax for transportation purposes; to define transportation purposes; to provide for the use  
18 of proceeds from the education special purpose local option sales tax for education  
19 transportation purposes; to define education transportation purposes; to amend Part 3 of  
20 Article 2 of Chapter 10 of Title 32 of the Official Code of Georgia Annotated, the "Georgia  
21 Transportation Infrastructure Bank Act," so as to provide revised criteria for determination  
22 of eligible projects by the Transportation Infrastructure Bank; to provide for a short title; to  
23 provide for related matters; to provide for an effective date and applicability; to repeal  
24 conflicting laws; and for other purposes.

25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

26 **PART I**

27 **SECTION 1-1.**

28 This Act shall be known and may be cited as the "Transportation Funding Act of 2015."

29 **SECTION 1-2.**

30 Chapter 2 of Title 20 of the Official Code of Georgia Annotated, relating to elementary and  
31 secondary education, is amended by revising Code Section 20-2-411, relating to the use of  
32 school funds, as follows:

33 "20-2-411.

34 (a) When the public school fund shall be received and receipted for, it shall be the duty of  
35 the officers authorized by law to receive such fund and keep it separate and distinct from  
36 other funds. The school funds shall be used for educational purposes and may be used to  
37 pay the salaries of personnel and to pay for the utilization of school facilities, including  
38 school buses, for extracurricular and interscholastic activities, including literary events,  
39 music and athletic programs within individual schools and between schools in the same or  
40 in different school systems when such activities are sponsored by local boards of education  
41 as an integral part of the total school program, and for no other purpose. When taxes are  
42 paid into the state treasury, the comptroller general shall in no case receipt a tax collector  
43 for them until that part of the tax so paid in which was raised for school purposes is  
44 separated in amount from the gross amount paid in. It shall be lawful to invest school  
45 funds in securities of the states, United States, or municipalities of this state or in  
46 certificates of deposit.

47 (b)(1) In addition to the proper uses of school funds contained in subsection (a) of this  
48 Code section, it is the intention of the General Assembly, pursuant to the authority  
49 granted by Article VIII, Section VI, Paragraph IV of the Constitution of Georgia, to  
50 further define and implement by general law that education transportation purposes shall  
51 constitute a proper expenditure of school funds derived from proceeds from the levy of  
52 a sales tax for educational purposes.

53 (2) As used in this subsection, the term 'education transportation purposes' means, for  
54 purposes of proceeds of a tax levied on motor fuel pursuant to Part 2 of Article 3 of  
55 Chapter 8 of Title 48, pursuant to the authority granted to the General Assembly by  
56 Article VIII, Section VI, Paragraph IV of the Constitution of Georgia, transportation  
57 necessary to move students to and from educational facilities in this state and all  
58 accompanying infrastructure and services necessary to provide safe and efficient access  
59 to and egress from these educational facilities."

60 **PART II**

61 **SECTION 2-1.**

62 Title 40 of the Official Code of Georgia Annotated, relating to motor vehicles and traffic, is  
63 amended by revising paragraph (7) of subsection (l) of Code Section 40-2-86.1, relating to  
64 certain special license plates, as follows:

65 "(7)(A) A special license plate to be issued for alternative fueled vehicles, which  
66 license plate shall be similar in design to the license plate issued to all other residents  
67 of ~~the~~ this state except that the commissioner shall place a distinctive logo or emblem  
68 on the license plate which shall distinguish the vehicle as an alternative fueled vehicle  
69 eligible to travel in travel lanes designated for such vehicles under paragraph (4) of  
70 subsection (a) of Code Section 32-9-4. The words 'alternative fueled vehicle' shall be  
71 imprinted on such special license plate in lieu of the county name decal. The funds  
72 raised by the sale of this license plate shall be deposited in the general fund.

73 (B) As used in this paragraph, the term:

74 (i) 'Alternative fuel' means ~~methanol, denatured ethanol, and other alcohols; mixtures~~  
75 ~~containing 85 percent or more or such other percentage, but not less than 70 percent,~~  
76 ~~as determined by the United States secretary of energy, by rule as it existed on~~  
77 ~~January 1, 1997, to provide for requirements relating to cold start, safety, or vehicle~~  
78 ~~functions, by volume of methanol, denatured ethanol, and other alcohols with gasoline~~  
79 ~~or other fuels; natural gas, liquefied petroleum gas, hydrogen; coal derived liquid~~  
80 ~~fuels; fuels other than alcohol derived from biological materials; electricity including~~  
81 ~~electricity from solar energy; and any other fuel the United States secretary of energy~~  
82 ~~determined by rule as it existed on January 1, 1997, is substantially not petroleum and~~  
83 ~~would yield substantial energy security benefits and substantial environmental~~  
84 ~~benefits~~ electricity, natural gas, and propane.

85 (ii) 'Alternative fueled vehicle' means: ~~(I) Any~~ any vehicle fueled solely by  
86 alternative fuel as defined in division (i) of this subparagraph, bi-fuel, or dual fuel; or  
87 ~~(II) A hybrid vehicle, which means a motor vehicle which draws propulsion energy~~  
88 ~~from onboard sources of stored energy which include an internal combustion or heat~~  
89 ~~engine using combustible fuel and a rechargeable energy storage system; and, in the~~  
90 ~~case of a passenger automobile or light truck, means for any 2000 and later model,~~  
91 ~~a vehicle which has received a certificate of conformity under the Clean Air Act, 42~~  
92 ~~U.S.C. Section 7401, et seq., and meets or exceeds the equivalent qualifying~~  
93 ~~California low-emission vehicle standard under Section 243(e)(2) of the Clean Air~~  
94 ~~Act, 42 U.S.C. Section 7583(c)(2), for that make and model year or, for any 2004~~  
95 ~~and later model, a vehicle which has received a certificate that such vehicle meets~~

96 or exceeds the Bin 5 Tier II emission level established in regulations prescribed by  
 97 the administrator of the Environmental Protection Agency under Section 202(i) of  
 98 the Clean Air Act, 42 U.S.C. Section 7521(i), for that make and model year vehicle  
 99 and which achieves a composite label fuel economy greater than or equal to 1.5  
 100 times the Model Year 2002 EPA composite class average for the same vehicle class  
 101 and which is made by a manufacturer.

102 (C) Pursuant to paragraph (19) of subsection (a) of Code Section 40-2-151, the  
 103 applicant for a special license plate for any alternative fueled vehicle shall provide  
 104 proof that he or she has paid the registration fee prescribed therein prior to the issuance  
 105 of any special license plate under this paragraph."

106 **SECTION 2-2.**

107 Said title is further amended by adding a new paragraph to subsection (a) of Code Section  
 108 40-2-151, relating to the annual license fees for the operation of vehicles, to read as follows:

109 "(19)(A)(i) Upon registration of an alternative fueled vehicle not operated  
 110 for commercial purposes . . . . . 200.00

111 (ii) Upon registration of an alternative fueled vehicle operated for  
 112 commercial purposes . . . . . 300.00

113 (B)(i) As used in this paragraph, the term 'alternative fueled vehicle' shall have the  
 114 same meaning as in division (1)(7)(B)(ii) of Code Section 40-2-86.1; provided,  
 115 however, that the fees in this paragraph shall not be assessed on vehicles which  
 116 operate primarily on compressed natural gas, liquefied natural gas, or liquefied  
 117 petroleum gas.

118 (ii) The fees in this paragraph shall be in addition to any other fee imposed on the  
 119 vehicle by this Code section.

120 (iii) The fees in this paragraph shall be automatically adjusted on an annual basis by  
 121 multiplying the percentage of increase or decrease in a given year in highway  
 122 construction costs as measured by the National Highway Construction Cost Index  
 123 published by the Office of Highway Policy Information of the Federal Highway  
 124 Administration by the current fee. The resulting calculation shall be added to the fees  
 125 assessed by this paragraph. The first adjustment shall be calculated and implemented  
 126 on July 1, 2016."

**PART III**  
**SECTION 3-1.**

129 Chapter 12 of Title 45 of the Official Code of Georgia Annotated, relating to the Governor,  
130 is amended by revising Code Section 45-12-22, relating to the Governor's authority to  
131 suspend the collection of taxes, as follows:

132 "45-12-22.

133 (a) Except as provided in subsection (b) of this Code section, the ~~The~~ Governor may  
134 suspend the collection of taxes, or any part thereof, due the state until the meeting of the  
135 next General Assembly but no longer; but he or she shall not otherwise interfere with the  
136 collection of taxes.

137 (b) Unless there has been a state of emergency declaration by the Governor, the Governor  
138 shall not suspend or modify in any manner the collection of any rate of state motor fuel  
139 under Code Section 48-9-3 as it applies to sales of motor fuel and aviation gasoline as such  
140 terms are defined in Code Section 48-9-2. Any suspension or modification of any rate of  
141 state motor fuel taxes under this subsection by the Governor shall be effective only until  
142 the next meeting of the General Assembly which must ratify such suspension or  
143 modification by a two-thirds' vote of both chambers. In the event the General Assembly  
144 fails to ratify the Governor's actions, state motor fuel taxes under this subsection shall be  
145 collected at the rate specified absent such suspension or modification and any amounts  
146 unpaid due to such suspension or modification shall be collected using such rate."

**PART IV**  
**SECTION 4-1.**

149 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is  
150 amended by revising subsection (b) of Code Section 48-7-40.16, relating to state income tax  
151 credits for low-emission vehicles, as follows:

152 "(b)(1) A tax credit is allowed against the tax imposed under this article to a taxpayer for  
153 the purchase or lease of a new low-emission vehicle or new zero emission vehicle that  
154 is registered in the State of Georgia. The amount of the credit shall be:

155 ~~(1)(A)~~ For any new low-emission vehicle, 10 percent of the cost of such vehicle or  
156 \$2,500.00, whichever is less; and

157 ~~(2)(B)~~ For any new zero emission vehicle, 20 percent of the cost of such vehicle or  
158 \$5,000.00, whichever is less.

159 (2) For any new low-emission vehicle or new zero emission vehicle purchased on or  
160 after July 1, 2015, the amount of the credit shall be \$0.00."

161 **SECTION 4-2.**

162 Said title is further amended by revising paragraphs (23) and (24) of Code Section 48-8-2,  
 163 relating to definitions regarding state sales and use taxes, as follows:

164 "(23) 'Prepaid local tax' means any local sales and use tax which is levied on the sale or  
 165 use of motor fuel and imposed in an area consisting of less than the entire state, however  
 166 authorized, including, but not limited to, such taxes authorized by or pursuant to  
 167 constitutional amendment; by or pursuant to Section 25 of an Act approved March 10,  
 168 1965 (Ga. L. 1965, p. 2243), as amended, known as the 'Metropolitan Atlanta Rapid  
 169 Transit Authority Act of 1965'; or by or pursuant to Article 2, 2A, 3, or 4 of this chapter.  
 170 Such tax is based on the same average retail sales price ~~as set forth in subparagraph~~  
 171 ~~(b)(2)(B) of Code Section 48-9-14~~ as compiled by the Energy Information Agency of the  
 172 United States Department of Energy, the Oil Pricing Information Service, or a similar  
 173 reliable published index less taxes imposed under Code Section 48-9-3 and all local sales  
 174 and use or excise taxes levied on motor fuel. Such price shall be used to compute the  
 175 prepaid sales tax rate for local jurisdictions by multiplying such retail price by the  
 176 applicable rate imposed by the jurisdiction. The person collecting and reporting the  
 177 prepaid local tax for the local jurisdiction shall provide a schedule as to which jurisdiction  
 178 these collections relate. This determination shall be based upon the shipping papers of  
 179 the conveyance that delivered the motor fuel to the dealer or consumer in the local  
 180 jurisdiction. A seller may rely upon the representation made by the purchaser as to which  
 181 jurisdiction the shipment is bound and prepare shipping papers in accordance with those  
 182 instructions.

183 ~~(24) 'Prepaid state tax' means the tax levied under Code Section 48-8-30 in conjunction~~  
 184 ~~with Code Section 48-8-3.1 and Code Section 48-9-14 on the retail sale of motor fuels~~  
 185 ~~for highway use and collected prior to that retail sale. This tax is based upon the average~~  
 186 ~~retail sales price as set forth in Code Section 48-9-14~~ Reserved."

187 **SECTION 4-3.**

188 Said title is further amended by revising subsections (a) and (b) of Code Section 48-8-3.1,  
 189 relating to sales tax exemptions as applied to motor fuels, as follows:

190 "(a) Except as provided in subsection (b) of this Code section, sales of motor fuels as  
 191 defined in paragraph (9) of Code Section 48-9-2 shall be exempt from the ~~first 3 percent~~  
 192 ~~of the~~ state sales and use taxes levied or imposed by this article ~~and shall be subject to the~~  
 193 ~~remaining 1 percent of the sales and use taxes levied or imposed by this article.~~  
 194 (b) Sales of motor fuel, other than gasoline, ~~which motor fuel other than gasoline is~~  
 195 purchased for purposes other than propelling motor vehicles on public highways as defined  
 196 in Article 1 of Chapter 9 of this title shall be fully subject to the ~~4 percent~~ state sales and

197 use taxes levied or imposed by this article unless otherwise specifically exempted by this  
198 article."

199 **SECTION 4-4.**

200 Said title is further amended by revising subsection (k) of Code Section 48-8-30, relating to  
201 the imposition, rate, and collection of state sales tax, as follows:

202 "(k) The prepaid local tax shall be imposed at the time tax is imposed ~~under subparagraph~~  
203 ~~(b)(2)(B) of Code Section 48-9-14~~ under Code Section 48-9-3."

204 **SECTION 4-5.**

205 Said title is further amended by revising paragraph (2) of subsection (b) of Code Section  
206 48-8-49, relating to dealers' returns as gross proceeds of sales and purchases, as follows:

207 "(2) If the tax liability of a dealer in the preceding calendar year was greater than  
208 \$60,000.00 excluding local sales taxes, the dealer shall file a return and remit to the  
209 commissioner not less than 50 percent of the estimated tax liability for the taxable period  
210 on or before the twentieth day of the period. The amount of the payment of the estimated  
211 tax liability shall be credited against the amount to be due on the return required under  
212 subsection (a) of this Code section. ~~This subsection shall not apply to any dealer whose~~  
213 ~~primary business is the sale of motor fuels who is remitting prepaid state tax under~~  
214 ~~paragraph (2) of subsection (b) of Code Section 48-9-14.~~"

215 **SECTION 4-6.**

216 Said title is further amended by revising paragraphs (2), (3), and (4) of subsection (b) of  
217 Code Section 48-8-50, relating to compensation of dealers for reporting and paying tax, as  
218 follows:

219 "(2) With respect to each certificate of registration number on such return, a deduction  
220 of one-half of 1 percent of that portion exceeding \$3,000.00 of the combined total amount  
221 of all sales and use taxes reported due on such return for each location other than the  
222 taxes specified in paragraph (3) of this subsection; and

223 (3) With respect to each certificate of registration number on such return, a deduction of  
224 3 percent of the combined total amount due of all sales and use taxes on motor fuel as  
225 defined under paragraph (9) of Code Section 48-9-2, which are imposed under any  
226 provision of this title, including, but not limited to, sales and use taxes on motor fuel  
227 imposed under any of the provisions described in subsection (f) of this Code section, ~~but~~  
228 ~~not including Code Section 48-9-14; and~~

229 ~~(4) A deduction with respect to Code Section 48-9-14, as defined in Code Section~~  
230 ~~48-8-2, shall be at the rate of one-half of 1 percent of the total amount due of the prepaid~~

231 ~~state tax reported due on such return, so long as the return and payment are timely,~~  
 232 ~~regardless of the classification of tax return upon which the remittance is made."~~

233 **SECTION 4-7.**

234 Said title is further amended by revising Code Section 48-8-82, relating to authorization of  
 235 counties and municipalities to impose a joint sales and use tax, as follows:

236 "48-8-82.

237 (a) When the imposition of a joint county and municipal sales and use tax is authorized  
 238 according to the procedures provided in this article within a special district, the county  
 239 whose geographical boundary is conterminous with that of the special district and each  
 240 qualified municipality located wholly or partially within the special district shall levy a  
 241 joint sales and use tax at the rate of 1 percent. Except as to rate, the joint tax shall  
 242 correspond to the tax imposed and administered by Article 1 of this chapter. No item or  
 243 transaction which is not subject to taxation by Article 1 of this chapter shall be subject to  
 244 the tax levied pursuant to this article, except that the joint tax provided in this article shall  
 245 be applicable to ~~sales of motor fuels as prepaid local tax as that term is defined in Code~~  
 246 ~~Section 48-8-2 and shall be applicable to~~ the sale of food and food ingredients and  
 247 alcoholic beverages only to the extent provided for in paragraph (57) of Code Section  
 248 48-8-3.

249 (b) On or after July 1, 2015, such joint sales and use tax shall be levied at the rate of 1.25  
 250 percent.

251 (c) On or after July 1, 2015, such joint sales and use tax shall not be levied on motor fuel  
 252 as defined in Code Section 48-9-2."

253 **SECTION 4-8.**

254 Said title is further amended by revising subsection (b) of Code Section 48-8-102, relating  
 255 to the creation of special districts and use of proceeds of the homestead option sales and use  
 256 tax, as follows:

257 "(b)(1) When the imposition of a local sales and use tax is authorized according to the  
 258 procedures provided in this article within a special district, the county whose  
 259 geographical boundary is conterminous with that of the special district shall levy a local  
 260 sales and use tax at the rate of 1 percent. Except as to rate, the local sales and use tax  
 261 shall correspond to the tax imposed and administered by Article 1 of this chapter. No  
 262 item or transaction which is not subject to taxation by Article 1 of this chapter shall be  
 263 subject to the sales and use tax levied pursuant to this article, except that the sales and use  
 264 tax provided in this article shall be applicable to ~~sales of motor fuels as prepaid local tax~~  
 265 ~~as that term is defined in Code Section 48-8-2 and shall be applicable to~~ the sale of food

266 and food ingredients and alcoholic beverages only to the extent provided for in paragraph  
267 (57) of Code Section 48-8-3.

268 (2) On or after July 1, 2015, such tax shall be levied at the rate of 1.25 percent.

269 (3) On or after July 1, 2015, such tax shall not be levied on motor fuel as defined in Code  
270 Section 48-9-2."

271 **SECTION 4-9.**

272 Said title is further amended by revising subparagraph (A) of paragraph (2) and by adding  
273 a new paragraph to Code Section 48-8-110, relating to definitions regarding the county  
274 special purpose local option sales tax, to read as follows:

275 "(A) 'Level one county-wide project' means transportation purposes or a county-wide  
276 project or projects of the county to carry out functions on behalf of the state and is  
277 limited to a county courthouse; a county administrative building primarily for county  
278 constitutional officers or elected officials; a county or regional jail, correctional  
279 institution, or other detention facility; a county health department facility; or any  
280 combination of such projects; and"

281 "(5)(A) 'Transportation purposes' means and includes roads, bridges, public transit,  
282 rails, airports, buses, seaports, including without limitation road, street, and bridge  
283 purposes pursuant to paragraph (1) of subsection (b) of Code Section 48-8-121, and all  
284 accompanying infrastructure and services necessary to provide access to these  
285 transportation facilities, including general obligation debt, revenue debt, and other  
286 multiyear obligations issued to finance such purposes.

287 (B) 'Education transportation purposes' means, for purposes of proceeds of a tax levied  
288 on motor fuel pursuant to Part 2 of this article, pursuant to the authority granted to the  
289 General Assembly by Article VIII, Section VI, Paragraph IV of the Constitution of  
290 Georgia, transportation necessary to move students to and from educational facilities  
291 in this state and all accompanying infrastructure and services necessary to provide safe  
292 and efficient access to and egress from these educational facilities."

293 **SECTION 4-10.**

294 Said title is further amended by revising subsection (c) of and by adding a new subsection  
295 to Code Section 48-8-110.1, relating to the authorization for a county special purpose local  
296 option sales tax, to read as follows:

297 "(c) Any tax imposed under this part shall be at the rate of 1 percent. Except as to rate, a  
298 tax imposed under this part shall correspond to the tax imposed by Article 1 of this chapter.  
299 No item or transaction which is not subject to taxation under Article 1 of this chapter shall  
300 be subject to a tax imposed under this part, except that a tax imposed under this part shall

301 apply to sales of motor fuels, except diesel fuel, as prepaid local tax as that term is defined  
 302 in Code Section 48-8-2 and shall be applicable to the sale of food and food ingredients and  
 303 alcoholic beverages as provided for in Code Section 48-8-3.

304 (d) On or after July 1, 2015, following the expiration in a special district of the  
 305 authorization for the levy of the tax authorized in this part, any renewal or continuation of  
 306 a levy of the tax authorized in this part shall include a provision authorizing the expenditure  
 307 for transportation purposes of at least the amount collected, as determined by an average  
 308 of the previous three calendar years, on the sales of motor fuels in the special district. Such  
 309 provision shall be included in the referendum required by this part and list the specific  
 310 transportation purposes to be authorized as required under this part."

311 **SECTION 4-11.**

312 Said title is further amended by revising subparagraph (a)(1)(A) of Code Section 48-8-111,  
 313 relating to the procedure for the implementation of the county special purpose local option  
 314 sales tax, as follows:

315 "(A) A capital outlay project consisting of road, street, and bridge purposes, which  
 316 purposes may include sidewalks and bicycle paths transportation purposes;"

317 **SECTION 4-12.**

318 Said title is further amended by revising division (b)(2)(A)(ii) of Code Section 48-8-115,  
 319 relating to disbursement of tax proceeds, as follows:

320 "(ii) In the event that no level one county-wide project is included in the ordinance  
 321 or resolution required by subsection (a) of Code Section 48-8-111, to the governing  
 322 authority of the county for one or more level two county-wide projects specified by  
 323 the governing authority of the county in the ordinance or resolution required by  
 324 subsection (a) of Code Section 48-8-111. In the event no level one county-wide  
 325 project is included in the ordinance or resolution required by subsection (a) of Code  
 326 Section 48-8-111 and the governing authority of the county has specified one or more  
 327 municipal projects as level two county-wide projects in the ordinance or resolution  
 328 required by subsection (a) of Code Section 48-8-111, to the governing authority of the  
 329 appropriate municipality or municipalities for such level two county-wide projects  
 330 specified in the ordinance or resolution required by subsection (a) of Code Section  
 331 48-8-111. The total estimated cost of all level two county-wide projects specified  
 332 under this division shall not exceed ~~20~~ 30 percent of the proceeds projected to be  
 333 collected during the period specified in the ordinance or resolution required by  
 334 subsection (a) of Code Section 48-8-111; or"

335 **SECTION 4-13.**

336 Said title is further amended by revising Code Section 48-8-143, relating to distribution of  
337 the sales tax for educational purposes, as follows:

338 "48-8-143.

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

344 (b)(1) It is the intention of the General Assembly, pursuant to the authority granted by  
345 Article VIII, Section VI, Paragraph IV of the Constitution of Georgia, to further define  
346 and implement by general law that education transportation purposes shall constitute a  
347 proper expenditure of proceeds from the levy of a sales tax for educational purposes.

348 (2) As used in this subsection, the term 'education transportation purposes' means, for  
349 purposes of proceeds of a tax levied on motor fuel pursuant to Part 2 of this article,  
350 pursuant to the authority granted to the General Assembly by Article VIII, Section VI,  
351 Paragraph IV of the Constitution of Georgia, transportation necessary to move students  
352 to and from educational facilities in this state and all accompanying infrastructure and  
353 services necessary to provide safe and efficient access to and egress from these  
354 educational facilities.

355 (c) On or after July 1, 2015, the tax provided for in this part shall not be levied on diesel  
356 fuel."

357 **SECTION 4-14.**

358 Said title is further amended by revising subsection (c) of and adding two new subsections  
359 to Code Section 48-8-201, relating to the intergovernmental agreement for the distribution  
360 of tax proceeds from the water and sewer projects sales tax, as follows:

361 "(c) In the event a tax imposed under this article is imposed only by the municipality:

362 (1) No item or transaction which is not subject to taxation under Article 1 of this chapter  
363 shall be subject to a tax imposed under this article, except that a tax imposed under this  
364 article shall apply to:

365 (A) Sales of motor fuels, except for diesel fuel, as prepaid local tax as that term is  
366 defined in Code Section 48-8-2 until the expiration of the current authorization for the  
367 tax in such municipality. On or after the date immediately following such expiration,  
368 such tax shall not be applicable to sales of motor fuels as defined in Code Section  
369 48-9-2;

370 (B) The sale of food and food ingredients and alcoholic beverages as provided for in  
371 Code Section 48-8-3;

372 (C) The sale of natural or artificial gas used directly in the production of electricity  
373 which is subsequently sold, notwithstanding paragraph (70) of Code Section 48-8-3;  
374 and

375 (D) The furnishing for value to the public of any room or rooms, lodgings, or  
376 accommodations which is subject to taxation under Article 3 of Chapter 13 of this title;  
377 and

378 (2) A tax imposed under this article shall not apply to the sale of motor vehicles."

379 "(e) Any tax imposed under this article that is renewed on or after July 1, 2015, shall be  
380 levied at the rate of 1.25 percent.

381 (f) On or after July 1, 2015, a tax imposed under this article shall not be levied on diesel  
382 fuel."

#### 383 SECTION 4-15.

384 Said title is further amended by revising Code Section 48-9-3, relating to an excise tax on  
385 motor fuel, as follows:

386 "48-9-3.

387 (a)(1) An excise tax is imposed at the rate of ~~7 1/2¢~~ 29.2¢ per gallon on distributors who  
388 sell or use motor fuel, other than diesel fuel, within this state. An excise tax is imposed  
389 at the rate of 33¢ per gallon on distributors who sell or use diesel fuel within this state.  
390 It is the intention of the General Assembly that the legal incidence of the tax be imposed  
391 upon the distributor.

392 (1.1)(A) Beginning on July 1, 2016, and annually thereafter, the amount of this excise  
393 tax per gallon on distributors shall be automatically adjusted on an annual basis in  
394 accordance with this paragraph.

395 (B) Using 2014 as a base year, the department shall determine the average miles per  
396 gallon of all new vehicles registered in this state pursuant to Code Section 48-5C-1  
397 using the average of combined miles per gallon published in the United States  
398 Department of Energy Fuel Economy Guide. Beginning on July 1, 2016, and each year  
399 thereafter, the department shall calculate the average miles per gallon of all new  
400 vehicles registered in this state in the previous year. The excise tax rate shall be  
401 multiplied by the percentage increase or decrease in fuel efficiency from the previous  
402 year, and the resulting increase or decrease shall be added to the excise tax rate to  
403 determine the preliminary excise tax rate.

404 (C) Once the preliminary excise tax rate is established, it shall be multiplied by the  
405 annual percentage of increase or decrease in highway construction costs as measured

406 by the National Highway Construction Cost Index published by the Office of Highway  
 407 Policy Information of the Federal Highway Administration. The resulting calculation  
 408 shall be added to the preliminary excise tax rate, and the result of such calculation shall  
 409 be the new excise tax rate for motor fuels for the next calendar year.

410 (2) In the event any motor fuels which are not commonly sold or measured by the gallon  
 411 are used in any motor vehicles on the public highways of this state, the commissioner  
 412 may assess, levy, and collect a tax upon such fuels, under such regulations as the  
 413 commissioner may promulgate, in accordance with and measured by the nearest power  
 414 potential equivalent to that of one gallon of regular grade gasoline. Any determination  
 415 by the commissioner of the power potential equivalent of such motor fuels shall be  
 416 prima-facie correct. Upon each such quantity of such fuels used upon the public  
 417 highways of this state, a tax at the same rate per gallon imposed on motor fuel under  
 418 paragraph (1) of this subsection shall be assessed and collected.

419 (3) No county, municipality, or other political subdivision of this state shall levy any fee,  
 420 license, or other excise tax on a gallonage basis upon the sale, purchase, storage, receipt,  
 421 distribution, use, consumption, or other disposition of motor fuel. Nothing contained in  
 422 this article shall be construed to prevent a county, municipality, or other political  
 423 subdivision of this state from levying license fees or taxes upon any business selling  
 424 motor fuel.

425 (4)(A) For purposes of this subsection, and notwithstanding the provisions of  
 426 paragraph (2) of this subsection and any provision contained in the National Bureau of  
 427 Standards Handbook or any other national standard that may be adopted by law or  
 428 regulation, the gallon equivalent of compressed natural gas shall be not less than  
 429 110,000 British thermal units and the gallon equivalent of liquefied natural gas shall not  
 430 be less than 6.06 pounds.

431 (B) As used in this paragraph, the term:

432 (i) 'Compressed natural gas' means a mixture of hydrocarbon gases and vapors,  
 433 consisting principally of methane in gaseous form, that has been compressed for use  
 434 as a motor fuel.

435 (ii) 'Liquefied natural gas' means methane or natural gas in the form of a cryogenic  
 436 or refrigerated liquid for use as a motor fuel.

437 (b) No tax is imposed by this article upon or with respect to the following sales by duly  
 438 licensed distributors:

439 (1) Bulk sales to a duly licensed distributor;

440 (2) Sales of motor fuel for export from this state when exempted by any provisions of  
 441 the Constitutions of the United States or this state;

442 (3) Sales of motor fuel to a licensed distributor for export from this state;

- 443 (4) Sales of motor fuel to the United States for the exclusive use of the United States  
444 when the motor fuel is purchased and paid for by the United States;
- 445 (5) Sales of aviation gasoline to a duly licensed aviation gasoline dealer, except for 1¢  
446 per gallon of the tax imposed by paragraph (1) of subsection (a) of this Code section ~~and~~  
447 ~~all of the tax imposed by Code Section 48-9-14;~~
- 448 (6) Bulk sales of compressed petroleum gas or special fuel to a duly licensed consumer  
449 distributor;
- 450 (7)(A) Sales of compressed petroleum gas or special fuel to a consumer who has no  
451 highway use of the fuel at the time of the sale and does not resell the fuel. Consumers  
452 of compressed petroleum gas or special fuel who have both highway and nonhighway  
453 use of the fuel and resellers of such fuel must be licensed as distributors in order for  
454 sales of the fuel to be tax exempt. Each type of motor fuel is to be considered  
455 separately under this exemption.
- 456 (B)(i) In instances where a sale of compressed petroleum gas has been made to an  
457 ultimate consumer who has both highway and nonhighway use of that type of motor  
458 fuel and no tax has been paid by the distributor on the sale, the consumer shall  
459 become licensed as a consumer distributor of that type of motor fuel. After the  
460 consumer is licensed as a consumer distributor and if it is demonstrated to the  
461 satisfaction of the commissioner that the motor fuel purchased prior to the licensee's  
462 becoming licensed as a consumer distributor was used for nonhighway purposes, such  
463 sales shall be exempt from the tax imposed by this article; provided, however, that,  
464 if at the time of demonstration the ultimate consumer does not have both highway and  
465 nonhighway use of such fuel but it can be demonstrated by the distributor to the  
466 satisfaction of the commissioner that the motor fuel was used for nonhighway  
467 purposes, the sales shall be exempt from the tax imposed by this article; and
- 468 (ii)(I) Any special fuel sold by a distributor to a purchaser who has a storage  
469 receptacle which has a connection to a withdrawal outlet that may be used for  
470 highway use, as defined in paragraph (8) of Code Section 48-9-2, is not exempt  
471 from the motor fuel and road taxes imposed by this article unless: (1) the purchaser  
472 is at the time of sale a valid licensed distributor of that type of motor fuel, or (2) an  
473 exemption certificate has been obtained from the purchaser on forms furnished by  
474 the Department of Revenue showing that the purchaser has no highway use of such  
475 fuels and is not a reseller of such fuels. Each exemption certificate shall be valid  
476 for a period of not more than three years and shall be kept by the distributor as one  
477 of the records specified in Code Section 48-9-8. It shall be the responsibility of the  
478 purchaser to notify the distributor when the purchaser is no longer qualified for the

479 nonhighway exemption. All applicable taxes must be charged the purchaser until  
480 the purchaser is granted a valid distributor's license for that type of motor fuel.

481 (II) Any such purchaser granted an exemption under subdivision (I) of this division  
482 who falsely claims the exemption or fails to rescind the purchaser's exemption  
483 certificate to the distributor in writing when he or she is no longer eligible for the  
484 exemption shall be deemed a distributor for purposes of taxation and is subject to  
485 all provisions of this article relating to distributors. This division in no way shall  
486 restrict the option of the purchaser to become licensed as a distributor. If the  
487 distributor sells special fuel to a purchaser who has a storage receptacle which has  
488 a connection to a withdrawal outlet that may be used for highway use, as defined in  
489 paragraph (8) of Code Section 48-9-2, and the purchaser is not a valid licensed  
490 distributor and has not executed a valid signed exemption certificate, the taxes  
491 imposed by this article are due from the distributor and not the purchaser on all sales  
492 of that type of fuel to that purchaser;

493 (8) Sales of fuel oils, compressed petroleum gas, or special fuel directly to an ultimate  
494 consumer to be used for heating purposes only. The delivery of fuel oils, compressed  
495 petroleum gas, or special fuel directly to an ultimate consumer to be used for heating  
496 purposes only shall be made directly into the storage receptacle of the heating unit of the  
497 consumer by the licensed distributor. To qualify for this exemption, sales must be  
498 delivered into storage receptacles that are not equipped with any secondary withdrawal  
499 outlets for the motor fuel;

500 (9) Sales of dyed fuel oils to a consumer for other than highway use as defined in  
501 paragraph (8) of Code Section 48-9-2;

502 (10)(A) During the period of July 1, 2012, through June 30, 2015, sales of motor fuel,  
503 as defined in paragraph (9) of Code Section 48-9-2, for public mass transit vehicles  
504 which are owned by public transportation systems which receive or are eligible to  
505 receive funds pursuant to 49 U.S.C. Sections 5307 and 5311 for which passenger fares  
506 are routinely charged and which vehicles are used exclusively for revenue generating  
507 purposes which motor fuel sales occur at bulk purchase facilities approved by the  
508 department.

509 (B) During the period of July 1, 2012, through June 30, 2015, sales of motor fuel, as  
510 defined in paragraph (9) of Code Section 48-9-2, for vehicles operated by a public  
511 campus transportation system, provided that such system has a policy which provides  
512 for free transfer of passengers from the public transportation system operated by the  
513 jurisdiction in which the campus is located; makes the general public aware of such free  
514 transfer policy; and receives no state or federal funding to assist in the operation of such

515 public campus transportation system and which motor fuel sales occur at bulk purchase  
516 facilities approved by the department.

517 (C) For purposes of this paragraph, the term 'vehicle' or 'vehicles' means buses, vans,  
518 minibuses, or other vehicles which have the capacity to transport seven or more  
519 passengers; or

520 (11) For the period of time beginning July 1, 2013, and ending June 30, 2015, sales of  
521 motor fuel to public school systems in this state for the exclusive use of the school system  
522 in operating school buses when the motor fuel is purchased and paid for by the school  
523 system.

524 (c) Fuel oils, compressed petroleum gas, or special fuel used by a duly licensed distributor  
525 for nonhighway purposes is exempt from the tax imposed by this article.

526 (d) No export from this state shall be recognized as being exempt from tax under  
527 paragraphs (2) and (3) of subsection (b) of this Code section unless the exporter informs  
528 the seller and the terminal operator of the intention to export and causes to be set out the  
529 minimum information specified in subsection (e) of Code Section 48-9-17 on the bill of  
530 lading or equivalent documentation under which the motor fuel is transported. In the event  
531 that the motor fuel is delivered to any point other than that which is set out on the bill of  
532 lading or equivalent documentation, the legal incidence of the tax shall continue to be  
533 imposed exclusively upon the exporter who caused the export documentation to be issued  
534 and no exemption shall be recognized until suitable proof of exportation has been provided  
535 to the commissioner."

536 **SECTION 4-16.**

537 Said title is further amended by repealing in its entirety Code Section 48-9-14, relating to the  
538 second motor fuel tax, and designating said Code section as reserved.

539 **PART V**

540 **SECTION 5-1.**

541 Part 3 of Article 2 of Chapter 10 of Title 32 of the Official Code of Georgia Annotated, the  
542 "Georgia Transportation Infrastructure Bank Act," is amended by revising subsection (b) of  
543 Code Section 32-10-127, relating to loans and other financial assistance and the  
544 determination of eligible projects, as follows:

545 "(b)(1) The board shall determine which projects are eligible projects and then select  
546 from among the eligible projects qualified projects. When determining eligibility, the  
547 board shall make every effort to balance any loans or other financial assistance among  
548 all regions of this state.

549 (2) Preference for loans may be given to eligible projects ~~which have local financial~~  
550 support in tier 1 and tier 2 counties, as defined in Code Section 48-7-40 and by the  
551 Department of Community Affairs.

552 (3) Preference for grants and other financial assistance may be given to eligible projects  
553 which have local financial support."

554 **PART VI**

555 **SECTION 6-1.**

556 (a) This Act shall become effective on July 1, 2015.

557 (b) Tax, penalty, and interest liabilities and refund eligibility for prior taxable years shall not  
558 be affected by the passage of this Act and shall continue to be governed by the provisions of  
559 Title 48 of the Official Code of Georgia Annotated as it existed immediately prior to the  
560 effective date of this Act.

561 **SECTION 6-2.**

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