

House Bill 213 (COMMITTEE SUBSTITUTE)

By: Representatives Jacobs of the 80th, Roberts of the 155th, Smyre of the 135th, Geisinger of the 48th, Mitchell of the 88th, 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 provide for the rate
3 of a sales and use tax; to provide for a permanent suspension of restrictions on the use of
4 sales and use tax proceeds upon the submission of an independent management audit to
5 certain officials; to provide for related matters; to provide for an effective date; to repeal
6 conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 An Act known as the "Metropolitan Atlanta Rapid Transit Authority Act of 1965," approved
10 March 10, 1965 (Ga. L. 1965, p. 2243), as amended, is amended by revising paragraph (1)
11 of subsection (b) and subsection (i) of Section 25 as follows:

12 "(b)(1) Rate of Tax. The tax when levied shall be at the rate of one (1%) percent until
13 and including June 30, ~~2047~~ 2057, and shall thereafter be reduced to one-half (1/2%) of
14 one percent. Said tax shall be added to the State Sales and Use Tax imposed by Article
15 1 of Chapter 8 of Title 48 of the O.C.G.A., and the State Revenue Commissioner is
16 hereby authorized and directed to establish a bracket system by appropriate rules and
17 regulations to collect the tax herein imposed in the areas affected."

18 "(i) Use of Proceeds. The proceeds of the tax levied pursuant to this Act shall be used
19 solely by each local government to fulfill the obligations incurred in the contracts entered
20 into with the Metropolitan Atlanta Rapid Transit Authority as contemplated in the
21 Metropolitan Atlanta Rapid Transit Authority Act of 1965, as amended; ~~provided;~~
22 ~~however, that no more than fifty percent (50%) of the annual proceeds of the tax shall be~~
23 ~~used to subsidize the operating costs of the system, exclusive of depreciation, amortization,~~
24 ~~and other costs and charges as provided in this subsection, until January 1, 2002. For the~~
25 ~~period beginning January 1, 2002, and ending June 30, 2002, and for each fiscal year~~
26 ~~commencing thereafter until December 31, 2008, no more than fifty-five percent (55%) of~~

~~the proceeds of the tax shall be used to subsidize the operating costs of the system, exclusive of depreciation, amortization, and other costs and charges as provided in this subsection, and for the period beginning January 1, 2009, and ending June 30, 2009, and each fiscal year commencing thereafter until July 1, 2032, no more than fifty percent (50%) of the proceeds of the tax shall be used to subsidize the operating costs of the system, exclusive of depreciation, amortization, and other costs and charges as provided in this subsection. Such restrictions on the use of annual proceeds from local sales and use taxes shall be suspended through June 30, 2017. If the Board of the Metropolitan Atlanta Rapid Transit Authority shall fail to file with the Governor, the State Auditor, and the chairperson of the Metropolitan Atlanta Rapid Transit Overview Committee annually the original and 14 copies of every four years as provided in subsection (e) of Section 17 of this Act a report of the findings of a completed independent management performance audit of the Authority's current operations that was performed under contract with and at the expense of the Authority, along with any auditor's recommendations based thereon and the auditor's signed written verification that the Metropolitan Atlanta Rapid Transit Authority fully cooperated with such audit and allowed access to all its books, records, and documents to the extent the auditor deemed necessary, then for the period four years beginning January 1, 2003, and ending June 30, 2003, and each fiscal year commencing thereafter until July 1, 2032, of the year immediately following the year in which the completed independent management audit was due but not submitted, no more than fifty percent (50%) of the proceeds of the tax shall be used to subsidize the operating costs of the system, exclusive of depreciation, amortization, and other costs and charges as provided in this subsection. For each fiscal year commencing on or after July 1, 2032, no more than sixty percent (60%) of the annual proceeds of the tax shall be used to subsidize the operating costs of the system, exclusive of depreciation, amortization, and other costs and charges as provided in this subsection, and commencing with July 1, 2032, and for every year thereafter, the proceeds of the tax shall not be used to subsidize operations of the transportation system to an extent greater than fifty percent (50%) of the operating costs of the system, exclusive of depreciation, amortization, and other costs and charges as provided in this subsection. In adopting its annual budget, the Board of the Metropolitan Atlanta Rapid Transit Authority shall be authorized to rely upon estimates of all revenues, operating costs, patronage, and other factors which may affect the amount of the fare required to limit the operating subsidy herein provided for. If the results of any year's operations reflect that the proceeds of the tax were used to subsidize operations to an extent greater than herein provided, the Board shall adjust fares in order to make up the deficit in operations during a period of not to exceed three (3) succeeding years. If the results of operations in the Authority's fiscal year commencing July 1, 1980, or in any subsequent fiscal year reflect~~

64 ~~that the proceeds of the tax were not used to subsidize operations to the maximum extent~~
65 ~~herein provided, the Board shall reserve any amounts that could have been used to~~
66 ~~subsidize operations in that fiscal year and later use said reserved amounts and any interest~~
67 ~~earned on said reserved amounts to provide an additional subsidy for operations in any~~
68 ~~future fiscal year or years. The words 'operating costs of the system' for purposes of this~~
69 ~~subsection 25(i) are defined to include all of the costs of that division of the Authority~~
70 ~~directly involved and that portion of the nonoperating administrative costs of those~~
71 ~~divisions of the Authority indirectly involved, through the provision of support services,~~
72 ~~in providing mass transportation services for the metropolitan area, but exclusive of the~~
73 ~~costs of the division or divisions directly involved and that portion of the nonoperating~~
74 ~~administrative costs of those divisions indirectly involved, in the planning, design,~~
75 ~~acquisition, construction, and improvement of the rapid transit system, according to~~
76 ~~accepted principles of accounting, and also exclusive of the following costs:~~

77 (1) Nonrecurring costs and charges incurred in order to comply with any statute or
78 regulation concerning either the protection or cleaning up of the environment, or
79 accessibility by handicapped or disabled persons, or occupational health or safety, or
80 compliance with any national or state emergencies, or with any judgment, decree, or
81 order of any court or regulatory agency in implementation of any such statute or
82 regulation; and

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

88 If any proceeds of the tax levied pursuant to this Act are held for the purpose of planning,
89 designing, acquiring, or constructing additional facilities or equipment for or improvements
90 to the rapid transit system and are invested, then all interest earned from such investments
91 shall be used only for such purposes or for paying the principal of or interest on bonds or
92 certificates issued for such purposes. ~~Commencing July 1, 1988, and until June 30, 2008,~~
93 ~~and only if expressly authorized by the board, interest earned on reserve funds set aside for~~
94 ~~rebuilding, repairing, or renovating facilities of the rapid transit system, for replacing,~~
95 ~~repairing, or renovating equipment or other capital assets thereof, or from the sale or other~~
96 ~~disposition of real property, may, without regard to the original source of the funds so~~
97 ~~reserved, be used to pay the operating costs of the system as such costs are defined in this~~
98 ~~subsection."~~

99

SECTION 2.

100 This Act shall become effective upon its approval by the Governor or upon its becoming law
101 without such approval.

102

SECTION 3.

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