

The House Committee on Ways and Means offers the following substitute to HB 365:

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 5C of Title 48 of the Official Code of Georgia Annotated, relating to
2 alternative ad valorem tax on motor vehicles, so as to provide for the distribution of certain
3 proceeds of the tax; to provide for related matters; to provide an effective date; to repeal
4 conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 SECTION 1.

7 Chapter 5C of Title 48 of the Official Code of Georgia Annotated, relating to alternative ad
8 valorem tax on motor vehicles, is amended in Code Section 48-5C-1, relating to definitions,
9 exemption from taxation, allocation and disbursement of proceeds, fair market value of
10 vehicle appealable, and report, by revising paragraph (3) of subsection (c) as follows:

11 "(3) The local title ad valorem tax fee proceeds required under this subsection shall be
12 distributed as follows:

13 (A) The tag agent of the county shall within 20 days following the end of each calendar
14 month allocate and distribute to the county governing authority and to municipal
15 governing authorities, the board of education of the county school district, and the
16 board of education of any independent school district located in such county an amount
17 of those proceeds necessary to offset any reduction in ad valorem tax on motor vehicles
18 collected under Chapter 5 of this title in the taxing jurisdiction of each governing
19 authority and school district from the amount of ad valorem taxes on motor vehicles
20 collected under Chapter 5 of this title in each such governing authority and school
21 district during the same calendar month of 2012. This reduction shall be calculated by
22 subtracting the amount of ad valorem tax on motor vehicles collected under Chapter 5
23 of this title in each such taxing jurisdiction from the amount of ad valorem tax on motor
24 vehicles collected under Chapter 5 of this title in that taxing jurisdiction in the same
25 calendar month of 2012. In the event that the local title ad valorem tax fee proceeds are
26 insufficient to fully offset such reduction in ad valorem taxes on motor vehicles, the tag

27 agent shall allocate a proportionate amount of the proceeds to each governing authority
 28 and to the board of education of each such school district, and any remaining shortfall
 29 shall be paid from the following month's local title ad valorem tax fee proceeds. In the
 30 event that a shortfall remains, the tag agent shall continue to first allocate local title ad
 31 valorem tax fee proceeds to offset such shortfalls until the shortfall has been fully
 32 repaid; and

33 (B) Of the proceeds remaining following the allocation and distribution under
 34 subparagraph (A) of this paragraph, the tag agent shall allocate and distribute to the
 35 county governing authority and to municipal governing authorities, the board of
 36 education of the county school district, and the board of education of any independent
 37 school district located in such county the remaining amount of those proceeds in the
 38 manner provided in this subparagraph. Such proceeds shall be deposited in the general
 39 fund of such governing authority or board of education and shall not be subject to any
 40 use or expenditure requirements provided for under any of the following described local
 41 sales and use taxes but shall be authorized to be expended in the same manner as
 42 authorized for the ad valorem tax revenues on motor vehicles under Chapter 5 of this
 43 title which would otherwise have been collected for such governing authority or board
 44 of education. Of such remaining proceeds:

45 (i) An amount equal to one-third of such proceeds shall be distributed to the board
 46 of education of the county school district and the board of education of each
 47 independent school district located in such county in the same manner as required for
 48 any local sales and use tax for educational purposes levied pursuant to Part 2 of
 49 Article 3 of Chapter 8 of this title currently in effect. If such tax is not currently in
 50 effect, such proceeds shall be distributed to such board or boards of education in the
 51 same manner as if such tax were in effect;

52 (ii)(I) Except as otherwise provided in this division, an amount equal to one-third
 53 of such proceeds shall be distributed to the governing authority of the county and
 54 the governing authority of each qualified municipality located in such county in the
 55 same manner as specified under the distribution certificate for the joint county and
 56 municipal sales and use tax under Article 2 of Chapter 8 of this title currently in
 57 effect.

58 (II) If such tax were never in effect, such proceeds shall be distributed to the
 59 governing authority of the county and the governing authority of each qualified
 60 municipality located in such county on a pro rata basis according to the ratio of the
 61 population that each such municipality bears to the population of the entire county.

62 (III) If such tax is currently in effect as well as a local option sales and use tax for
 63 educational purposes levied pursuant to a local constitutional amendment, an

64 amount equal to one-third of such proceeds shall be distributed in the same manner
65 as required under subdivision (I) of this division and an amount equal to one-third
66 of such proceeds shall be distributed to the board of education of the county school
67 district.

68 (IV) If such tax is not currently in effect and a local option sales and use tax for
69 educational purposes levied pursuant to a local constitutional amendment is
70 currently in effect, such proceeds shall be distributed to the board of education of
71 the county school district and the board of education of any independent school
72 district in the same manner as required under ~~that~~ such local constitutional
73 amendment.

74 (V) If such tax is not currently in effect and a homestead option sales and use tax
75 under Article 2A of Chapter 8 of this title is in effect, such proceeds shall be
76 distributed to the governing authority of the county, each qualified municipality, and
77 each existing municipality in the same proportion as otherwise required under Code
78 Section 48-8-104; and

79 (iii)(I) An amount equal to one-third of such proceeds shall be distributed to the
80 governing authority of the county and the governing authority of each qualified
81 municipality located in such county in the same manner as specified under an
82 intergovernmental agreement or as otherwise required under the county special
83 purpose local option sales and use tax under Part 1 of Article 3 of Chapter 8 of this
84 title currently in effect; provided, however, that this subdivision shall not apply if
85 subdivision (III) of division (ii) of this subparagraph is applicable.

86 (II) If such tax were in effect but expired and is not currently in effect, such
87 proceeds shall be distributed to the governing authority of the county and the
88 governing authority of each qualified municipality located in such county in the
89 same manner as if such tax were still in effect according to the intergovernmental
90 agreement or as otherwise required under the county special purpose local sales and
91 use tax under Part 1 of Article 3 of Chapter 8 of this title for the 12 month period
92 commencing at the expiration of such tax. If such tax is not renewed prior to the
93 expiration of such 12 month period, such amount shall be distributed in accordance
94 with subdivision (I) of division (ii) of this subparagraph; provided, however, that if
95 a tax under Article 2 of Chapter 8 of this title is not in effect, such amount shall be
96 distributed in accordance with subdivision (II) of division (ii) of this subparagraph.

97 (III) If such tax is not currently in effect in a county in which a tax is levied for
98 purposes of a metropolitan area system of public transportation, as authorized by the
99 amendment to the Constitution set out at Ga. L. 1964, p. 1008; the continuation of
100 such amendment under Article XI, Section I, Paragraph IV(d) of the Constitution;

101 and the laws enacted pursuant to such constitutional amendment, such proceeds
 102 shall be distributed to the governing body of the authority created by local Act to
 103 operate such metropolitan area system of public transportation.

104 (IV) If such tax were never in effect, such proceeds shall be distributed in the same
 105 manner as specified under the distribution certificate for the joint county and
 106 municipal sales and use tax under Article 2 of Chapter 8 of this title currently in
 107 effect; provided, however, that if such tax under such article is not in effect, such
 108 proceeds shall be distributed to the governing authority of the county and the
 109 governing authority of each qualified municipality located in such county on a pro
 110 rata basis according to the ratio of the population that each such municipality bears
 111 to the population of the entire county; and

112 (C) Of the proceeds distributed under subparagraphs (A) and (B) of this paragraph to
 113 the county governing authority, any county in which an ad valorem tax was levied on
 114 motor vehicles pursuant to a local constitutional amendment on behalf of an authority
 115 or agency within such county on March 1, 2013, shall remit to such authority or agency
 116 a percentage of the amount received by the county governing authority equal to the
 117 percentage which such ad valorem tax constituted of the entire county ad valorem tax
 118 collected in the 2012 taxable year."

119 **SECTION 2.**

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

122 **SECTION 3.**

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