

House Bill 781

By: Representatives Tanner of the 9th, Jones of the 47th, Welch of the 110th, Coleman of the 97th, Epps of the 144th, and others

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 specify permitted maintenance and operation expenses; to provide for powers, duties, and
6 authority of the state revenue commissioner; to provide for enforcement; to amend Code
7 Section 20-2-165 of the Official Code of Georgia Annotated, relating to equalization grants
8 for local school systems, so as to revise a definition relating to local tax revenues; to amend
9 Code Section 50-6-32 of the Official Code of Georgia Annotated, relating to transparency
10 in government, so as to conform a cross-reference; to provide for related matters; to provide
11 for a contingent effective date; to provide for applicability; to provide for automatic repeal
12 under certain circumstances; to repeal conflicting laws; and for other purposes.

13 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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

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

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

19 48-8-140.

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

23 (b) Any school system levying a sales tax for educational purposes on January 1, 2019,
24 shall have until January 1, 2021, to amend such existing tax to include maintenance and

25 operation expenses in the authorized purposes for expenditure of funds collected under the
 26 existing tax. Such amendment shall be contingent upon approval of a referendum
 27 submitted to the voters.

28 ~~48-8-141.~~

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

43 ~~(b) On or after July 1, 2015, such sales and use tax levied on sales of motor fuels as~~
 44 ~~defined in Code Section 48-9-2 shall be at the rate of 1 percent of the retail sales price of~~
 45 ~~the motor fuel which is not more than \$3.00 per gallon.~~

46 ~~48-8-142.~~

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

56 ~~If imposition of the tax is approved by the voters, such vote shall also constitute approval~~
 57 ~~of the issuance of general obligation debt of _____ in the principal~~
 58 ~~amount of \$_____ for the above purpose.'~~

59 ~~48-8-143.~~

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

65 ~~48-8-144.~~

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

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

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

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

77 ~~48-8-141.~~

78 As used in this part, the term:

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

81 (2) 'Maintenance and operation expenses' means costs for:

82 (A) Any activity, such as tests, measurements, replacements, adjustments, and repairs,
 83 intended to retain or restore a building, facility, storage structure, parking area, student
 84 activity area, or instructional area in or to a condition in which it can provide its
 85 intended functions;

86 (B) Action taken to retain material or equipment in a serviceable condition or to restore
 87 it to serviceability, including inspection, testing, servicing, repairing, rebuilding, or
 88 reclamation;

89 (C) Routine recurring work required to keep a facility, such as a plant, building,
 90 structure, ground facility, utility system, or other real property, in such a condition that
 91 it may be continuously used at its original or designed capacity and efficiency for its
 92 intended purpose and in order to:

93 (i) Reduce capital repairs;

- 94 (ii) Reduce unscheduled shutdowns and repairs;
 95 (iii) Extend facility life;
 96 (iv) Realize life cycle cost savings; or
 97 (v) Provide safe, functional systems and facilities that meet the design intent;
 98 (D) Fuel for school buses;
 99 (E) Driver's education;
 100 (F) Telemedicine;
 101 (G) Mental health services;
 102 (H) School nurses and supplies;
 103 (I) Foreign language courses and programs;
 104 (J) Fine arts courses and programs;
 105 (K) Science, technology, engineering, and mathematics (STEM) courses and programs;
 106 (L) School safety enhancement;
 107 (M) Computer science courses and programs;
 108 (N) Before-school and after-school programs;
 109 (O) Alternative school programs;
 110 (P) Underperforming school interventions and supports;
 111 (Q) Drug and alcohol education programs;
 112 (R) Positive behavioral interventions and supports (PBIS);
 113 (S) Counseling, including career, graduation, and supplemental counseling;
 114 (T) Classroom supplies;
 115 (U) Educational materials, including textbooks and software;
 116 (V) Media center materials;
 117 (W) Testing expenses;
 118 (X) Wraparound services; or
 119 (Y) Any combination of the foregoing.
- 120 (3) 'State charter school' means a state charter school as defined in paragraph (5) of Code
 121 Section 20-2-2081 and with respect to which the referendum required under Article VIII,
 122 Section V, Paragraph VII of the Constitution has been conducted and approved.
- 123 (4) 'State chartered special school' means a state chartered special school as defined in
 124 paragraph (16) of Code Section 20-2-2062 and with respect to which the referendum
 125 required under Article VIII, Section V, Paragraph VII of the Constitution has been
 126 conducted and approved.
- 127 48-8-142.
- 128 (a) Pursuant to the authority granted by Article VIII, Section VI, Paragraph IV of the
 129 Constitution of this state, a sales tax for educational purposes may be imposed and levied

130 according to the procedures provided in this part by a board of education of a county school
 131 system in which no independent school system is located or concurrently by the board of
 132 education of a county school system and the board of education of each independent school
 133 system located within such county and collected by the commissioner on behalf of such
 134 board or boards of education.

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

137 (c) On or after July 1, 2018, such sales and use tax levied on sales of motor fuels as
 138 defined in Code Section 48-9-2 shall be at the rate of 1 percent of the retail sales price of
 139 the motor fuel which is not more than \$3.00 per gallon.

140 48-8-143.

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

145 48-8-144.

146 (a) A local board of education voting to impose the tax authorized by this part shall notify
 147 the appropriate county or municipal election superintendent or superintendents by
 148 forwarding to such superintendent or superintendents a copy of the resolution or concurrent
 149 resolutions calling for the imposition of the tax. Such resolution or concurrent resolutions
 150 shall specify:

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

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

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

159 (4) The maintenance and operation expenses which will be funded from the proceeds of
 160 the tax and the maximum amount of net proceeds to be expended on maintenance and
 161 operation expenses, if applicable, which shall in no event exceed 50 percent of such net
 162 proceeds.

163 (b) Upon receipt of the resolution or concurrent resolutions, the election superintendent
 164 shall issue the call for an election for the purpose of submitting the question of the

165 imposition of the tax to the voters of the county. The election superintendent shall issue
 166 the call and shall conduct the election on a date and in the manner authorized under Code
 167 Section 21-2-540. The election superintendent shall cause the date and purpose of the
 168 election to be published once per week for four weeks immediately preceding the date of
 169 the election in the official organ of the county. If general obligation debt is to be issued in
 170 conjunction with the imposition of the tax, the notice published by the election
 171 superintendent shall also include, in such form as may be specified by the board of
 172 education, the principal amount of the debt, the purpose for which the debt is to be issued,
 173 the rate or rates of interest or the maximum rate or rates of interest the debt will bear, and
 174 the amount of principal to be paid in each year during the life of the debt; and such
 175 publication of notice by the election superintendent shall be in lieu of the notice otherwise
 176 required by Code Section 36-80-11 or by subsection (b) of Code Section 36-82-1.

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

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

180 '() YES Do you approve a 1 percent sales tax for educational purposes in the
 181 _____ school system to be used for _____ for up to
 182 () NO _____ years to raise not more than \$ _____ for capital outlay
 183 projects (and to raise not more than \$ _____ for the maintenance and
 184 operation expenses for _____)'; and

185 (2) If general obligation debt is to be issued in conjunction with the imposition of the
 186 sales tax for educational purposes under paragraph (1) of this subsection, the resolution
 187 or concurrent resolutions imposing such tax shall specify the principal amount of the debt
 188 to be issued, the purpose for which the debt is to be issued, the interest rate or rates or the
 189 maximum interest rate or rates which such debt is to bear, and the amount of principal to
 190 be paid in each year during the life of the debt. If such general obligation debt is to be
 191 issued, the ballot shall also have written or printed thereon the following:

192 'If imposition of the tax is approved by the voters, such vote shall also constitute
 193 approval of the issuance of general obligation debt of _____ in
 194 the principal amount of \$ _____ for the above purpose.'

195 (d) All persons desiring to vote in favor of imposing the tax shall vote 'Yes,' and all
 196 persons opposed to levying the tax shall vote 'No.' If more than one-half of the votes cast
 197 are in favor of imposing the tax, then the tax shall be imposed as provided in this part;
 198 otherwise, the tax shall not be imposed, and the question of imposing the tax shall not again
 199 be submitted to the voters until after 12 months immediately following the month in which
 200 the election was held. The election superintendent shall hold and conduct the election
 201 under the same rules and regulations as govern special elections. The superintendent shall

202 canvass the returns, declare the result of the election, and certify the result to the Secretary
 203 of State and to the commissioner. The expense of the election shall be paid from board of
 204 education funds.

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

211 (2) If the issuance of general obligation debt is included and approved as provided in this
 212 Code section, then the board of education may incur such debt either through the issuance
 213 and validation of general obligation bonds or through the execution of a promissory note
 214 or notes or other instrument or instruments. If such debt is incurred through the issuance
 215 of general obligation bonds, such bonds and their issuance and validation shall be subject
 216 to Articles 1 and 2 of Chapter 82 of Title 36 except as specifically provided otherwise in
 217 this part. If such debt is incurred through the execution of a promissory note or notes or
 218 other instrument or instruments, no validation proceedings shall be necessary and such
 219 debt shall be subject to Code Sections 36-80-10 through 36-80-14 except as specifically
 220 provided otherwise in this part. In either event, such general obligation debt shall be
 221 payable first from the separate account in which are placed the proceeds received by the
 222 county from the tax authorized by this part. Such general obligation debt shall, however,
 223 constitute a pledge of the full faith, credit, and taxing power of the board of education;
 224 and any liability on such debt which is not satisfied from the proceeds of the tax
 225 authorized by this part shall be satisfied from the general funds of the board of education.

226 48-8-145.

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

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

235 (1) If the resolution calling for the imposition of the tax provided for the issuance of
 236 general obligation debt and such debt is the subject of validation proceedings, as of the

237 end of the first calendar quarter ending more than 80 days after the date on which a court
 238 of competent jurisdiction enters a final order denying validation of such debt;

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

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

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

247 (2) The board of education in which a tax authorized by this part is in effect may, while
 248 the tax is in effect, adopt a resolution calling for the reimposition of a tax authorized by
 249 this part upon the termination of the tax then in effect; and a special election may be held
 250 for this purpose while the tax is in effect. Proceedings for the reimposition of a tax shall
 251 be in the same manner as proceedings for the initial imposition of the tax, but the newly
 252 authorized tax shall not be imposed until the expiration of the tax then in effect; provided,
 253 however, that in the event of emergency conditions under which a board of education is
 254 unable to conduct a referendum so as to continue the tax then in effect without
 255 interruption, the commissioner may, if feasible administratively, waive the limitations of
 256 subsection (a) of this Code section to the minimum extent necessary so as to permit the
 257 reimposition of a tax, if otherwise approved as required under this Code section, without
 258 interruption, upon the expiration of the tax then in effect.

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

262 48-8-146.

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

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

279 48-8-147.

280 Each sales tax return remitting taxes collected under this part shall separately identify the
281 location of each retail establishment at which any of the taxes remitted were collected and
282 shall specify the amount of sales and the amount of taxes collected at each establishment
283 for the period covered by the return in order to facilitate the determination by the
284 commissioner that all taxes imposed by this part are collected and distributed according to
285 situs of sale.

286 48-8-148.

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

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

291 (2) Except for the percentage provided in paragraph (1) of this Code section, the
292 remaining proceeds of the tax shall be distributed in accordance with Code
293 Section 48-8-155.

294 48-8-149.

295 Where a local sales or use tax has been paid with respect to tangible personal property by
296 the purchaser either in another local tax jurisdiction within the state or in a tax jurisdiction
297 outside the state, the tax may be credited against the tax authorized to be imposed by this
298 part upon the same property. If the amount of sales or use tax so paid is less than the
299 amount of the use tax due under this part, the purchaser shall pay an amount equal to the
300 difference between the amount paid in the other tax jurisdiction and the amount due under
301 this part. The commissioner may require such proof of payment in another local tax
302 jurisdiction as he or she deems necessary and proper. No credit shall be granted, however,
303 against the tax imposed under this part for tax paid in another jurisdiction if the tax paid
304 in such other jurisdiction is used to obtain a credit against any other local sales and use tax
305 levied in the county or municipality which includes the county or independent school
306 system.

307 48-8-150.

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

314 48-8-151.

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

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

326 48-8-152.

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

330 48-8-153.

331 The tax authorized by this part shall be in addition to any other local sales and use tax. The
332 imposition of any other local sales and use tax within a county, municipality, or special
333 district shall not affect the authority of a board of education to impose the tax authorized
334 by this part, and the imposition of the tax authorized by this part shall not affect the
335 imposition of any otherwise authorized local sales and use tax within the county,
336 municipality, or special district.

337 48-8-154.

338 The tax authorized by this part shall not be used to replace any funding earned or allocated
339 pursuant to Article 6 of Chapter 2 of Title 20, the "Quality Basic Education Act," or to
340 replace any state funding source or eligibility for grants or other funding opportunities.

341 48-8-155.

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

347 48-8-156.

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

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

364 (b) No general obligation debt shall be issued in conjunction with the imposition of the tax
365 authorized by this part unless the local board of education determines that, and if the debt
366 is to be validated it is demonstrated in the validation proceedings that, during each year in
367 which any payment of principal or interest on the debt comes due, the local board of
368 education will receive from the tax authorized by this part net proceeds sufficient to fully
369 satisfy such liability. General obligation debt issued under this part shall be payable first
370 from the separate account in which are placed the proceeds received by the board of
371 education from the tax authorized by this part. Such debt, however, shall constitute a

372 pledge of the full faith, credit, and taxing power of the local board of education; and any
373 liability on said debt which is not satisfied from the proceeds of the tax authorized by this
374 part shall be satisfied from the general funds of the board of education.

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

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

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

390 (B) If the local board of education receives from the tax net proceeds in excess of the
391 maximum cost of the capital outlay projects for educational purposes or maintenance
392 and operation expenses stated in the resolution calling for the imposition of the tax or
393 in excess of the actual cost of such purpose or purposes, then such excess proceeds shall
394 be subject to and applied as provided in paragraph (2) of this subsection.

395 (C) If the tax is terminated under paragraph (1) of subsection (b) of Code Section
396 48-8-145 by reason of denial of validation of debt, then all net proceeds received by the
397 local board of education from the tax shall be excess proceeds subject to paragraph (2)
398 of this subsection.

399 (2) Excess proceeds subject to this subsection shall be used solely for the purpose of
400 reducing any indebtedness of the local board or boards of education other than
401 indebtedness incurred pursuant to this part. If there is no such other indebtedness or, if
402 the excess proceeds exceed the amount of any such other indebtedness, then the excess
403 proceeds shall next be paid into the general fund of the local board or boards of
404 education, it being the intent that any funds so paid into the general fund of the local
405 board or boards of education be used for the purpose of reducing ad valorem taxes.

406 48-8-157.

407 The local board or boards of education receiving any proceeds from the tax under this part
 408 shall maintain a record of each and every purpose for which the proceeds of the tax are
 409 used. Not later than December 31 of each year, the local board or boards of education
 410 receiving any proceeds from the tax under this part shall publish annually, in a newspaper
 411 of general circulation in the boundaries of their respective school system, a simple,
 412 nontechnical report which shows for each purpose in the resolution calling for imposition
 413 of the tax the original estimated cost, the current estimated cost if it is not the original
 414 estimated cost, amounts expended in prior years, and amounts expended in the current year.
 415 The report shall also include a statement of what corrective action the local board of
 416 education intends to implement with respect to each purpose which is underfunded or
 417 behind schedule and a statement of any surplus funds which have not been expended for
 418 a purpose.

419 48-8-158.

420 The superior courts of this state shall have jurisdiction to enforce compliance with the
 421 provisions of this part, including the power to grant injunctions or other equitable relief.
 422 In addition to any action that may be brought by any person or entity, the Attorney General
 423 shall have authority to bring enforcement actions, either civil or criminal, in his or her
 424 discretion as may be appropriate to enforce compliance with this part."

425 **SECTION 2.**

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

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

439 **SECTION 3.**

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

442 "(g) Each local board of education subject to Code Section ~~48-8-141~~ 48-8-157 shall
443 provide the information required under that Code section to the department for posting on
444 the searchable website."

445 **SECTION 4.**

446 (a) This Act shall become effective on January 1, 2019; provided, however, that this Act
447 shall only become effective on January 1, 2019, upon the ratification of a resolution at the
448 November, 2018, state-wide general election which amends the Constitution of the State of
449 Georgia so as to authorize the use of local sales and use tax for educational purposes in part
450 for maintenance and operation expenses. If such resolution is not ratified, this Act shall not
451 become effective and shall stand repealed in its entirety on January 1, 2019.

452 (b) This Act shall apply to taxes imposed or to be imposed under any resolution adopted by
453 a board of education on or after January 1, 2019; and this Act shall not apply to taxes
454 imposed or to be imposed under such resolutions adopted prior to January 1, 2019, unless
455 they have been amended in accordance with this Act.

456 **SECTION 5.**

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