

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

20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

21 **PART I**
 22 **SECTION 1-1.**

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

PART II

SECTION 2-1.

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

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

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

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

(ii) 'Alternative fueled vehicle' means: ~~(I) Any~~ any vehicle fueled solely by alternative fuel as defined in division (i) of this subparagraph; ~~or~~

~~(H) A hybrid vehicle, which means a motor vehicle which draws propulsion energy from onboard sources of stored energy which include an internal combustion or heat engine using combustible fuel and a rechargeable energy storage system; and, in the case of a passenger automobile or light truck, means for any 2000 and later model, a vehicle which has received a certificate of conformity under the Clean Air Act, 42 U.S.C. Section 7401, et seq., and meets or exceeds the equivalent qualifying California low-emission vehicle standard under Section 243(c)(2) of the Clean Air Act, 42 U.S.C. Section 7583(c)(2), for that make and model year or, for any 2004 and later model, a vehicle which has received a certificate that such vehicle meets~~

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

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

70 (ii) It is the intention of the General Assembly that all revenue obtained from the fees
71 assessed on alternative fueled vehicles pursuant to paragraph (19) of subsection (a)
72 of Code Section 40-2-151 shall be dedicated to funding public transit in this state."

73 **SECTION 2-2.**

74 Said title is further amended by adding a new paragraph to subsection (a) of Code Section
75 40-2-151, relating to the annual license fees for the operation of vehicles, as follows:

76	<u>"(19)(A)(i) Upon registration of an alternative fueled vehicle not operated</u>	
77	<u>for commercial purposes.</u>	<u>200.00</u>
78	<u>(ii) Upon registration of an alternative fueled vehicle operated for</u>	
79	<u>commercial purposes.</u>	<u>300.00</u>

80 (B)(i) As used in this paragraph, the term 'alternative fueled vehicle' shall have the
81 same meaning as in division (1)(7)(B)(ii) of Code Section 40-2-86.1; provided,
82 however, that the fees in this paragraph shall not be assessed on vehicles which
83 operate primarily on compressed natural gas or liquefied natural gas that is subject to
84 the motor fuel tax pursuant to Code Section 48-9-3.

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

87 (iii) The fees in this paragraph shall be automatically adjusted on an annual basis by
88 multiplying the percentage of increase or decrease in a given year in the National
89 Highway Construction Cost Index published by the Office of Highway Policy
90 Information of the Federal Highway Administration by the current fee. The first
91 adjustment shall be calculated and implemented on January 1, 2016."

PART III
SECTION 3-1.

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

"45-12-22.

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

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

PART IV
SECTION 4-1.

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

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

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

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

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

SECTION 4-2.

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

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

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

SECTION 4-3.

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

"(a) Except as provided in subsection (b) of this Code section, sales of motor fuels as defined in paragraph (9) of Code Section 48-9-2 shall be exempt from the ~~first 3 percent of the~~ state sales and use taxes levied or imposed by this article ~~and shall be subject to the remaining 1 percent of the sales and use taxes levied or imposed by this article.~~

(b) Sales of motor fuel, other than gasoline, ~~which motor fuel other than gasoline is~~ purchased for purposes other than propelling motor vehicles on public highways as defined in Article 1 of Chapter 9 of this title shall be fully subject to the ~~4 percent~~ state sales and

162 use taxes levied or imposed by this article unless otherwise specifically exempted by this
 163 article."

164 **SECTION 4-4.**

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

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

169 **SECTION 4-5.**

170 Said title is further amended by revising paragraph (2) of subsection (b) of Code Section
 171 48-8-49, relating to dealers' returns as gross proceeds of sales and purchases, as follows:

172 "(2) If the tax liability of a dealer in the preceding calendar year was greater than
 173 \$60,000.00 excluding local sales taxes, the dealer shall file a return and remit to the
 174 commissioner not less than 50 percent of the estimated tax liability for the taxable period
 175 on or before the twentieth day of the period. The amount of the payment of the estimated
 176 tax liability shall be credited against the amount to be due on the return required under
 177 subsection (a) of this Code section. ~~This subsection shall not apply to any dealer whose~~
 178 ~~primary business is the sale of motor fuels who is remitting prepaid state tax under~~
 179 ~~paragraph (2) of subsection (b) of Code Section 48-9-14.~~"

180 **SECTION 4-6.**

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

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

188 (3) With respect to each certificate of registration number on such return, a deduction of
 189 3 percent of the combined total amount due of all sales and use taxes on motor fuel as
 190 defined under paragraph (9) of Code Section 48-9-2, which are imposed under any
 191 provision of this title, including, but not limited to, sales and use taxes on motor fuel
 192 imposed under any of the provisions described in subsection (f) of this Code section, but
 193 not including Code Section 48-9-14; and

194 ~~(4) A deduction with respect to Code Section 48-9-14, as defined in Code Section~~
 195 ~~48-8-2, shall be at the rate of one-half of 1 percent of the total amount due of the prepaid~~

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

198 **SECTION 4-7.**

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

201 "48-8-82.

202 (a) When the imposition of a joint county and municipal sales and use tax is authorized
 203 according to the procedures provided in this article within a special district, the county
 204 whose geographical boundary is conterminous with that of the special district and each
 205 qualified municipality located wholly or partially within the special district shall levy a
 206 joint sales and use tax at the rate of 1 percent. Except as to rate, the joint tax shall
 207 correspond to the tax imposed and administered by Article 1 of this chapter. No item or
 208 transaction which is not subject to taxation by Article 1 of this chapter shall be subject to
 209 the tax levied pursuant to this article, except that the joint tax provided in this article shall
 210 be applicable to ~~sales of motor fuels as prepaid local tax as that term is defined in Code~~
 211 ~~Section 48-8-2 and shall be applicable to~~ the sale of food and food ingredients and
 212 alcoholic beverages only to the extent provided for in paragraph (57) of Code Section
 213 48-8-3.

214 (b) The joint sales and use tax provided for in this article in a special district shall be
 215 applicable to sales of motor fuels as prepaid local tax as such term is defined in Code
 216 Section 48-8-2 through June 30, 2020. On or after July 1, 2020, such joint sales and use
 217 tax shall not be applicable to sales of motor fuels as defined in Code Section 48-9-2."

218 **SECTION 4-8.**

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

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

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

233 (2) The sales and use tax provided for in this article in a special district shall be
234 applicable to sales of motor fuels as prepaid local tax as such term is defined in Code
235 Section 48-8-2 through June 30, 2020. On or after July 1, 2020, such tax shall not be
236 applicable to sales of motor fuels as defined in Code Section 48-9-2."

237 **SECTION 4-9.**

238 Said title is further amended by revising subsection (c) of Code Section 48-8-110.1, relating
239 to the authorization for the county special purpose local option sales tax and subjects of
240 taxation, as follows:

241 "(c)(1) Any tax imposed under this part shall be at the rate of 1 percent. Except as to
242 rate, a tax imposed under this part shall correspond to the tax imposed by Article 1 of this
243 chapter. No item or transaction which is not subject to taxation under Article 1 of this
244 chapter shall be subject to a tax imposed under this part, except that a tax imposed under
245 this part shall apply to sales of motor fuels as prepaid local tax as that term is defined in
246 Code Section 48-8-2 and shall be applicable to the sale of food and food ingredients and
247 alcoholic beverages as provided for in Code Section 48-8-3.

248 (2) The sales and use tax provided for in this part in a special district shall be applicable
249 to sales of motor fuels as prepaid local tax as such term is defined in Code Section 48-8-2
250 until the expiration of the current authorization for such tax in such special district. On
251 or after the date immediately following such expiration, such tax shall not be applicable
252 to sales of motor fuels as defined in Code Section 48-9-2."

253 **SECTION 4-10.**

254 Said title is further amended in Code Section 48-8-141, relating to imposition of the sales tax
255 for educational purposes, by designating the existing provisions of said Code section as
256 subsection (a) and by adding a new subsection to read as follows:

257 "(b) The sales and use tax provided for in this part in a special district shall be applicable
258 to sales of motor fuels as prepaid local tax as such term is defined in Code Section 48-8-2
259 until the expiration of the current authorization for such tax in such special district. On or
260 after the date immediately following such expiration, such tax shall not be applicable to
261 sales of motor fuels as defined in Code Section 48-9-2."

SECTION 4-11.

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

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

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

(A) Sales of motor fuels as prepaid local tax as that term is defined in Code Section 48-8-2 until the expiration of the current authorization for the tax in such municipality.

On or after the date immediately following such expiration, such tax shall not be applicable to sales of motor fuels as defined in Code Section 48-9-2;

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

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

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

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

SECTION 4-12.

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

"48-9-3.

(a)(1) An excise tax is imposed at the rate of ~~7 1/2¢~~ 29.2¢ per gallon on distributors who sell or use motor fuel, other than diesel fuel, within this state. An excise tax is imposed at the rate of 33¢ per gallon on distributors who sell or use diesel fuel within this state.

It is the intention of the General Assembly that the legal incidence of the tax be imposed upon the distributor. Beginning on January 1, 2016, and annually thereafter, the amount of this excise tax per gallon on distributors shall be automatically adjusted on an annual basis in accordance with the formula provided in this paragraph. Using 2014 as a base year, the department shall determine the average miles per gallon of all new vehicles registered in this state pursuant to Code Section 48-5C-1 using the average of combined miles per gallon published in the United States Department of Energy Fuel Economy Guide. Beginning on January 1, 2016, the department shall again calculate the average

299 miles per gallon of all new vehicles registered in this state in 2015. Any percentage
 300 increase or decrease in fuel efficiency shall be multiplied by the excise tax rate to
 301 determine a preliminary excise tax rate. Such preliminary excise tax rate shall be
 302 multiplied by the annual percentage of increase or decrease in highway construction costs
 303 as measured by the National Highway Construction Cost Index published by the Office
 304 of Highway Policy Information of the Federal Highway Administration. The result of
 305 such calculation shall be the new excise tax rates for motor fuels for the next calendar
 306 year.

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

316 (3) Except as otherwise specifically authorized pursuant to Part 2 of this article, no ~~No~~
 317 county, municipality, or other political subdivision of this state shall levy any fee, license,
 318 or other excise tax on a gallonage basis upon the sale, purchase, storage, receipt,
 319 distribution, use, consumption, or other disposition of motor fuel. Nothing contained in
 320 this article shall be construed to prevent a county, municipality, or other political
 321 subdivision of this state from levying license fees or taxes upon any business selling
 322 motor fuel.

323 (4)(A) For purposes of this subsection, and notwithstanding the provisions of
 324 paragraph (2) of this subsection and any provision contained in the National Bureau of
 325 Standards Handbook or any other national standard that may be adopted by law or
 326 regulation, the gallon equivalent of compressed natural gas shall be not less than
 327 110,000 British thermal units and the gallon equivalent of liquefied natural gas shall not
 328 be less than 6.06 pounds.

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

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

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

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

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

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

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

341 (4) Sales of motor fuel to the United States for the exclusive use of the United States
 342 when the motor fuel is purchased and paid for by the United States;

343 (5) Sales of aviation gasoline to a duly licensed aviation gasoline dealer, except for 1¢
 344 per gallon of the tax imposed by paragraph (1) of subsection (a) of this Code section ~~and~~
 345 ~~all of the tax imposed by Code Section 48-9-14;~~

346 (6) Bulk sales of compressed petroleum gas or special fuel to a duly licensed consumer
 347 distributor;

348 (7)(A) Sales of compressed petroleum gas or special fuel to a consumer who has no
 349 highway use of the fuel at the time of the sale and does not resell the fuel. Consumers
 350 of compressed petroleum gas or special fuel who have both highway and nonhighway
 351 use of the fuel and resellers of such fuel must be licensed as distributors in order for
 352 sales of the fuel to be tax exempt. Each type of motor fuel is to be considered
 353 separately under this exemption.

354 (B)(i) In instances where a sale of compressed petroleum gas has been made to an
 355 ultimate consumer who has both highway and nonhighway use of that type of motor
 356 fuel and no tax has been paid by the distributor on the sale, the consumer shall
 357 become licensed as a consumer distributor of that type of motor fuel. After the
 358 consumer is licensed as a consumer distributor and if it is demonstrated to the
 359 satisfaction of the commissioner that the motor fuel purchased prior to the licensee's
 360 becoming licensed as a consumer distributor was used for nonhighway purposes, such
 361 sales shall be exempt from the tax imposed by this article; provided, however, that,
 362 if at the time of demonstration the ultimate consumer does not have both highway and
 363 nonhighway use of such fuel but it can be demonstrated by the distributor to the
 364 satisfaction of the commissioner that the motor fuel was used for nonhighway
 365 purposes, the sales shall be exempt from the tax imposed by this article; and

366 (ii)(I) Any special fuel sold by a distributor to a purchaser who has a storage
 367 receptacle which has a connection to a withdrawal outlet that may be used for
 368 highway use, as defined in paragraph (8) of Code Section 48-9-2, is not exempt
 369 from the motor fuel and road taxes imposed by this article unless: (1) the purchaser
 370 is at the time of sale a valid licensed distributor of that type of motor fuel, or (2) an
 371 exemption certificate has been obtained from the purchaser on forms furnished by

372 the Department of Revenue showing that the purchaser has no highway use of such
 373 fuels and is not a reseller of such fuels. Each exemption certificate shall be valid
 374 for a period of not more than three years and shall be kept by the distributor as one
 375 of the records specified in Code Section 48-9-8. It shall be the responsibility of the
 376 purchaser to notify the distributor when the purchaser is no longer qualified for the
 377 nonhighway exemption. All applicable taxes must be charged the purchaser until
 378 the purchaser is granted a valid distributor's license for that type of motor fuel.

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

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

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

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

407 (B) During the period of July 1, 2012, through June 30, 2015, sales of motor fuel, as
 408 defined in paragraph (9) of Code Section 48-9-2, for vehicles operated by a public

409 campus transportation system, provided that such system has a policy which provides
 410 for free transfer of passengers from the public transportation system operated by the
 411 jurisdiction in which the campus is located; makes the general public aware of such free
 412 transfer policy; and receives no state or federal funding to assist in the operation of such
 413 public campus transportation system and which motor fuel sales occur at bulk purchase
 414 facilities approved by the department.

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

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

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

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

434 **SECTION 4-13.**

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

437 **SECTION 4-14.**

438 Said title is further amended in Chapter 9, relating to motor fuel and road taxes, by
 439 designating the existing provisions of Article 1, relating to motor fuel tax, as Part 1 thereof
 440 and by adding a new part to read as follows:

441

"Part 2442 48-9-21.

443 As used in this part, the term 'transportation purposes' means and includes roads, bridges,
444 public transit, rails, airports, buses, seaports, including without limitation road, street, and
445 bridge purposes pursuant to paragraph (1) of subsection (b) of Code Section 48-8-121, and
446 all accompanying infrastructure and services necessary to provide access to these
447 transportation facilities, including general obligation debt, revenue debt, and other
448 multiyear obligations issued to finance such purposes.

449 48-9-22.

450 (a) Pursuant to the authority granted by Article IX, Section II, Paragraph VI of the
451 Constitution, there are created within this state 159 special districts. One such special
452 district shall exist within the geographical boundaries of each county.

453 (b)(1) Subject to the maximum cents per gallon rate under subsection (c) of this Code
454 section, each time, in a special district under this part, a prepaid local sales and use tax
455 levied ceases to be applicable to the sales of motor fuel pursuant to Code Section 48-8-82,
456 48-8-102, 48-8-110.1, 48-8-141, or 48-8-201, a county may levy and impose an excise
457 tax of up to 3¢ per gallon on motor fuels. Such levy or levies shall be imposed by
458 ordinance of the governing authority of the county which may be adopted at any time on
459 or after the effective date of this part, including prior to the time the prepaid local sales
460 and use taxes cease to apply to motor fuel, so that the collection of the excise taxes may
461 commence, without interruption, upon the cessation of applicability of such prepaid local
462 sales and use taxes to motor fuel. The ordinance shall be effective no sooner than on the
463 first day of the next succeeding calendar quarter which begins more than 80 days after
464 the adoption of the ordinance. A certified copy of the ordinance shall be forwarded to the
465 commissioner so that it will be received within five days after its adoption. Such
466 ordinance may also be adopted at any time thereafter. Each local excise tax levy which
467 commences on or after January 1, 2016, shall be at the rate of 1, 2, or 3 cents per gallon,
468 but as that rate has been adjusted pursuant to paragraph (3) of subsection (c) of this Code
469 section.

470 (2) In order for a municipality located within a special district in which a tax under this
471 part has been imposed to receive any proceeds of such tax, the governing authority of
472 such municipality shall adopt an ordinance setting forth the transportation purposes
473 allowed under Code Section 48-9-21 for which such proceeds shall be used. A copy of
474 such ordinance shall be transmitted to the governing authority of the county. Such

475 ordinance may be amended at any time to change the authorized transportation purposes
476 as allowed under Code Section 48-9-21.

477 (c)(1) The rate of the excise tax imposed under this part shall be specified as whole cents,
478 and no fractional amount shall be allowed.

479 (2) Except as provided under paragraph (3) of this subsection, the total combined
480 maximum rate under this Code section shall not exceed 6¢ per gallon.

481 (3) Beginning on January 1, 2016, and annually thereafter, the amount of the excise tax
482 per gallon on distributors shall be automatically adjusted on an annual basis in
483 accordance with the formula provided in this paragraph. Using 2014 as a base year, the
484 department shall determine the average miles per gallon of all new vehicles registered in
485 this state pursuant to Code Section 48-5C-1 using the average of combined miles per
486 gallon published in the United States Department of Energy Fuel Economy Guide.
487 Beginning on January 1, 2016, the department shall again calculate the average miles per
488 gallon of all new vehicles registered in this state in 2015. Any percentage increase or
489 decrease in fuel efficiency shall be multiplied by the excise tax rate to determine a
490 preliminary excise tax rate. Such preliminary excise tax rate shall be multiplied by the
491 annual percentage of increase or decrease in highway construction costs as measured by
492 the National Highway Construction Cost Index published by the Office of Highway
493 Policy Information of the Federal Highway Administration. The result of such
494 calculation shall be the new local excise tax rates for motor fuels for the next calendar
495 year.

496 (d) The proceeds of any such local excise tax received by the county shall be dedicated to
497 transportation purposes as defined in Code Section 48-9-21 and shall not be expended for
498 any other purposes. Such allowed purposes shall be set forth in the county ordinance under
499 this part which may be amended from time to time.

500 (e) Such tax may be terminated at any time by the governing authority of the county by
501 repealing such ordinance. Following such repeal, the governing authority of the county
502 shall be authorized to reimpose such tax at any time.

503 (f) At the time the tax imposed by Code Section 48-9-3 attaches to a sale or transfer of
504 motor fuels, a local excise tax shall be collected under this part in each special district in
505 which such tax has been levied. The same person remitting the tax imposed under Code
506 Section 48-9-3, but on a separate schedule, shall remit the local excise tax to the state. The
507 tax shall be separately invoiced throughout the chain of distribution until it reaches the
508 dealer who makes the retail sale.

509 (g) Except as otherwise provided in this Code section, a local excise tax imposed under
510 this part shall be administered, collected, and subject to the same penalties and enforcement
511 provisions as the tax under Part 1 of this article.

512 (h) The commissioner shall disburse to the governing authority of each county levying a
 513 tax under this part the proceeds thereof in the same manner as a sales and use tax collected
 514 pursuant to Article 2 of Chapter 8 of this title.

515 48-9-23.

516 Immediately following distribution of the proceeds of the tax under this part by the
 517 commissioner to the county, the county shall disburse a portion of such proceeds to each
 518 municipality located in such special district which has adopted an ordinance under Code
 519 Section 48-9-22. Such disbursement shall be in accordance with the formula developed
 520 pursuant to subsection (d) of Code Section 32-5-27 and in effect on January 1, 2015.

521 48-9-24.

522 No tax is imposed by this part upon or with respect to the following sales by a duly
 523 licensed distributor:

524 (1) The sales enumerated under subsection (b) of Code Section 48-9-3; or

525 (2) Sales to this state, any county or municipality of this state, or any bona fide
 526 department of such governments when paid for directly to the seller by warrant on
 527 appropriated government funds."

528 **PART V**

529 **SECTION 5-1.**

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

534 "(b) The board shall determine which projects are eligible projects and then select from
 535 among the eligible projects qualified projects. Preference may be given to eligible projects
 536 which have local financial support in tier 1 and tier 2 counties, as defined in Code Section
 537 48-7-40 and by the Department of Community Affairs. When determining eligibility, the
 538 board shall make every effort to balance any loans or other financial assistance among all
 539 regions of this state."

540 **PART VI**

541 **SECTION 6-1.**

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

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

547 **SECTION 6-2.**
548 All laws and parts of laws in conflict with this Act are repealed.