

\_\_\_\_\_ offers the following  
substitute to HB 170:

A BILL TO BE ENTITLED  
AN ACT

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

25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

**PART I**  
**SECTION 1-1.**

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

**SECTION 1-2.**

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

"20-2-411.

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

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

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

**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, bi-fuel, or dual fuel; ~~or (II) 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~~



**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

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

#### SECTION 4-4.

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

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

#### SECTION 4-5.

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

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

#### SECTION 4-6.

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

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

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

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

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

#### SECTION 4-7.

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

"48-8-82.

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

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

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

(d) On or after July 1, 2015, such joint sales and use tax shall not be levied on diesel fuel."

#### SECTION 4-8.

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

"(b)(1) When the imposition of a local sales and use tax is authorized according to the procedures provided in this article within a special district, the county whose geographical boundary is conterminous with that of the special district shall levy a local sales and use tax at the rate of 1 percent. Except as to rate, the local sales and use tax shall correspond to the tax imposed and administered by Article 1 of this chapter. No



item or transaction which is not subject to taxation by Article 1 of this chapter shall be subject to the sales and use tax levied pursuant to this article, except that the sales and use tax provided in this article shall be applicable to ~~sales of motor fuels as prepaid local tax as that term is defined in Code Section 48-8-2~~ and shall be applicable to the sale of food and food ingredients and alcoholic beverages only to the extent provided for in paragraph (57) of Code Section 48-8-3.

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

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

(4) On or after July 1, 2015, such tax shall not be levied on diesel fuel."

#### SECTION 4-9.

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

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

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

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

**SECTION 4-10.**

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

"(c) Any tax imposed under this part shall be at the rate of 1 percent. Except as to rate, a tax imposed under this part shall correspond to the tax imposed by Article 1 of this chapter. 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 part, except that a tax imposed under this part shall apply to sales of motor fuels, except diesel fuel, as prepaid local tax as that term is defined in Code Section 48-8-2 and shall be applicable to the sale of food and food ingredients and alcoholic beverages as provided for in Code Section 48-8-3.

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

**SECTION 4-11.**

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

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

**SECTION 4-12.**

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

"(ii) In the event that no level one county-wide project is included in the ordinance or resolution required by subsection (a) of Code Section 48-8-111, to the governing authority of the county for one or more level two county-wide projects specified by the governing authority of the county in the ordinance or resolution required by subsection (a) of Code Section 48-8-111. In the event no level one county-wide project is included in the ordinance or resolution required by subsection (a) of Code Section 48-8-111 and the governing authority of the county has specified one or more municipal projects as level two county-wide projects in the ordinance or resolution

required by subsection (a) of Code Section 48-8-111, to the governing authority of the appropriate municipality or municipalities for such level two county-wide projects specified in the ordinance or resolution required by subsection (a) of Code Section 48-8-111. The total estimated cost of all level two county-wide projects specified under this division shall not exceed ~~20~~ 30 percent of the proceeds projected to be collected during the period specified in the ordinance or resolution required by subsection (a) of Code Section 48-8-111; or"

#### SECTION 4-13.

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

"48-8-143.

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

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

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

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

#### SECTION 4-14.

Said title is further amended by revising subsection (c) of and adding two new subsections to 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, except for diesel fuel, 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."

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

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

#### SECTION 4-15.

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.

(1.1)(A) Beginning on July 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 this paragraph.

(B) 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 July 1, 2016, and each year thereafter, the department shall calculate the average miles per gallon of all new vehicles registered in this state in the previous year. The excise tax rate shall be multiplied by the percentage increase or decrease in fuel efficiency from the previous year, and the resulting increase or decrease shall be added to the excise tax rate to determine the preliminary excise tax rate.

(C) Once the preliminary excise tax rate is established, it shall be multiplied by the annual percentage of increase or decrease in highway construction costs as measured by the National Highway Construction Cost Index published by the Office of Highway Policy Information of the Federal Highway Administration. The resulting calculation shall be added to the preliminary excise tax rate, and the result of such calculation shall be the new excise tax rate for motor fuels for the next calendar year.

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

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

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

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

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

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

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

- (1) Bulk sales to a duly licensed distributor;
- (2) Sales of motor fuel for export from this state when exempted by any provisions of the Constitutions of the United States or this state;
- (3) Sales of motor fuel to a licensed distributor for export from this state;
- (4) Sales of motor fuel to the United States for the exclusive use of the United States when the motor fuel is purchased and paid for by the United States;
- (5) Sales of aviation gasoline to a duly licensed aviation gasoline dealer, except for 1¢ per gallon of the tax imposed by paragraph (1) of subsection (a) of this Code section ~~and all of the tax imposed by Code Section 48-9-14;~~
- (6) Bulk sales of compressed petroleum gas or special fuel to a duly licensed consumer distributor;

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

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

(ii)(I) Any special fuel sold by a distributor to a purchaser who has a storage receptacle which has a connection to a withdrawal outlet that may be used for highway use, as defined in paragraph (8) of Code Section 48-9-2, is not exempt from the motor fuel and road taxes imposed by this article unless: (1) the purchaser

is at the time of sale a valid licensed distributor of that type of motor fuel, or (2) an exemption certificate has been obtained from the purchaser on forms furnished by the Department of Revenue showing that the purchaser has no highway use of such fuels and is not a reseller of such fuels. Each exemption certificate shall be valid for a period of not more than three years and shall be kept by the distributor as one of the records specified in Code Section 48-9-8. It shall be the responsibility of the purchaser to notify the distributor when the purchaser is no longer qualified for the nonhighway exemption. All applicable taxes must be charged the purchaser until the purchaser is granted a valid distributor's license for that type of motor fuel.

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

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

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

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

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

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

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

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

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

#### **SECTION 4-16.**

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

### **PART V**

#### **SECTION 5-1.**

Part 3 of Article 2 of Chapter 10 of Title 32 of the Official Code of Georgia Annotated, the "Georgia Transportation Infrastructure Bank Act," is amended by revising subsection (b) of



Code Section 32-10-127, relating to loans and other financial assistance and the determination of eligible projects, as follows:

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

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

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

## PART VI

### SECTION 6-1.

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

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

### SECTION 6-2.

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