Summary of House Bill 277: Transportation Funding

REGIONAL SALES TAX

- Proposes a one-percent regional sales and use tax to fund all modes of transportation for a period of ten years.
- The bill establishes 12 special tax districts based on existing regional commission boundaries. Counties may not opt out of or switch regions.
- A new "Regional Transportation Roundtable" is established in each regional commission comprised of every county chair and one mayor from each county. If more than 90% of the total county population resides in cities, the county will have an extra mayor on the roundtable (i.e. Fulton County). The roundtables meet only twice, both times at the call of the DP.
- Each roundtable elects five of its members to serve on an executive committee. In addition, the House and Senate Transportation Committee Chairmen appoint two state representatives and one state senator, respectively, to serve as non-voting members of the executive committee.
- The GDOT Director of Planning (DP), who is appointed by the Governor, facilitates the planning process within each region. The planning process consists of three stages:

STAGE ONE (Criteria)

Within 60 days after Governor approves SSTP	GDOT Director of Planning provides local governments and MPOs with draft district investment (i.e. project assessment) criteria drawn from the Statewide Strategic Transportation Plan.
September 30, 2010	Local Governments and MPO's submit comments on the criteria to the DP.
November 10, 2010	Mayors select the municipal representatives for each county for the district's Regional Transportation Roundtable.
November 15, 2010	DP submits final recommended assessment criteria for each district and calls the first of two meetings of the regional roundtables.
Flexible	The Regional Transportation Roundtables meet to amend and approve the DP's investment criteria and elect members for the Executive Committees.

STAGE TWO (Project List)

Flexible	Local Governments and MPOs receive comments from members of the General Assembly within their districts and then submit project requests to the DP. DP will use the districts' investment criteria to assess projects, assemble a "list of example investments," and deliver it to each executive committee. Executive Committees consult with the DP and choose from the "list of example investments" to create a "draft investment list" for consideration by the full Regional Transportation Roundtable.
August 15, 2011	The DP sends the final "draft investment list," as approved by the executive committees, to all necessary parties and calls the second and final meeting of the Regional Transportation Roundtables. With the "draft investment list," the DP must include a statement of the specific public benefits expected from each project on the list.

	Local governments, legislators and MPOs may submit comments on the "draft investment lists" to the Director of Planning and executive committees up until two weeks prior to the final meeting.
	Two town halls must be held in each region to receive public input on the draft lists. The executive committees send a summary of comments to the DP and full roundtables.
October 15, 2011	Roundtables meet and must approve or reject the "draft investment list." If the roundtables reject the list, they may make amendments by choosing from the "list of example investments" initially provided by the DP to the executive committees.
	If no list is approved by a majority of the members of the roundtable, a "special district gridlock" shall be declared and no election will be held in the region. As a consequence, every local government within the region must provide a 50-percent match to receive any Local Maintenance Improvement Grants (formerly LARP and State Aid) from GDOT. In addition, the region cannot try again for at least two years.
STAGE THREE (Referendum)	
July, 2012	Georgia citizens in regions that approved an "investment list" will vote on whether to approve a one-percent sales tax to fund the list. Votes will be tallied by region and the tax will only be levied in regions where a majority of the voters approve.
	If the voters in a region fail to pass the referendum, every local government within must provide a 30-percent match to receive any Local Maintenance Improvement Grants. If the voters pass the referendum, every local government within must provide only a 10-percent match.

- The state may not redirect any state or federal transportation funds designated for a region because they pass the tax.
- In the metro Atlanta region, 15% of the funds raised will be returned based on a modified LARP formula (based on the percentage of road miles and population in each jurisdiction compared to the entire region) to each county and city for discretionary local transportation projects. In other regions, 25% of the funds will be returned based on the same formula. The funds may be used as match for state funds.
- The Georgia State Financing and Investment Commission (GSFIC) serves as trustee and disburses funds to the Georgia Department of Transportation (GDOT) upon request for managing the projects. The Georgia Regional Transportation Authority (GRTA) manages metro Atlanta transit projects.
- A five-member Citizens Review Panel appointed by the Speaker and Lt. Governor is charged with overseeing the governance and administration of the projects and programs included on the investment list. The panel may require any reports deemed necessary from the state, counties or cities.
- Exemptions from the tax include motor fuel; jet fuel; off-road fuel for heavy-duty, farm or agricultural equipment; locomotive fuel; public mass transit fuel; the sale or use of energy used in manufacturing or processing tangible goods; and building and construction materials. In addition, the tax is only levied on the first $5,000 of any transaction involving the sale or lease of a motor vehicle.
- Upon conclusion of the 10-year levy, the list development process and ballot may be reinitiated per a majority of the district's counties and a special act of the General Assembly. The process is the same if a region's voters reject the tax following a 24-month waiting period.

- 100 percent of funds stay within the region in which they were collected.
- Exempts the regional transportation tax from the 2% cap on local sales and use taxes.
- Any portion of a region's revenues may be used for transit capital and maintenance & operations (M&O) (except for MARTA which may only pay for M&O of new capital outlays made after January 1, 2011).
- Revenues may be used to fund a 20-year reserve for a region's transit maintenance & operations requirements.

TRANSIT

- Creates a standing Georgia Coordinating Committee for Rural and Human Services Transportation to encourage efficient delivery of rural transit and statewide human services transportation programs.
- Creates a Transit Governance Study Commission to examine the feasibility of combining all of the metro Atlanta regional public transportation entities into an integrated regional transit body. A preliminary report is due by December 31, 2010 and a final report, including any recommended draft legislation, is due by August 1, 2011, at which time the commission will stand abolished.

MARTA

- Suspends the 50/50 restriction on MARTA's expenditures for a 3-year period (restricted from use on salary and wage increases).
- Reforms the MARTA Board, reducing it from 18 members to 11 members, by removing three state appointees and appointees from counties that do not levy a sales tax to fund the system. The new board will consist of three residents of the City of Atlanta, four residents of DeKalb County, three residents of Fulton County and the GDOT Commissioner. GRTA's Executive Director is a non-voting member.
- Authorizes Clayton County to hold a referendum on the question of levying a one-percent sales tax to join MARTA and thereby restore C-Tran service.

OTHER PROVISIONS

- Requires the Senate Transportation Committee to approve the Director of Planning appointed by the Governor (the House Transportation Committee already does).
- The regional sales tax becomes effective on January 1, 2011. The remaining provisions of the legislation become effective upon the signature of the Governor or upon its becoming law without such approval.