

HB 1232-S2 - DIGEST

(DIGEST OF PROPOSED 2ND SUBSTITUTE)

Declares that "capital projects" include equipment items that may contain and employ a software element necessary for initial installation and operation that may be included in the capital expenditure on a one-time basis during initial acquisition by a county or city in the regular course of business in connection with associated capital improvements. These expenditures must be capitalized with a lifetime of at least five years and must be tied directly to the dollar amount used solely for the economic development value of an existing or planned capital improvement. None of the tax proceeds may be used for daily operations or upgrading of the original capital investment.

Allows proceeds from the tax authorized to be used for the initial acquisition and installation of computer hardware and computer business systems and applications that are: Capitalized with a useful life of five or more years; and directly related to an existing or planned capital project. Proceeds from the tax authorized may not be used for: Ongoing maintenance, operation, or upgrades of computer hardware or software; computer peripherals; or computer accessories.

Declares that, all expenditures made by counties and cities for capital purposes, local capital improvements, and capital projects authorized under this act on or before the effective date of this act are declared to be valid.