

LOST

1 Senator Smith of the 25th offered the following amendment:

2 Amend the Senate Health and Human Services Committee substitute to HB 1028 by inserting
3 on line 8 of page 1 after "authority;" the following:

4 "to create the Georgia Prescriptive Drug Benefit Authority; to provide for membership and
5 appointment and terms of members; to define certain terms; to provide for powers of the
6 authority; to provide for the duties of the executive director; to provide for a program of
7 insurance; to provide for administrative matters; to provide for disclosures; to provide for
8 bonds and matters relating to the issuance of bonds; to provide for revenues and receipts;".

9 By inserting on line 20 of page 1 after "insurance" the following:

10 "and in the field of prescription drug benefits for senior citizens".

11 By inserting on line 22 of page 1 after "costly." the following:

12 "The senior citizens of our state are having increasing difficulty in obtaining insurance
13 coverage to pay for prescription drugs with many foregoing medications essential to their
14 health and well-being."

15 By striking line 7 of page 2 and inserting in lieu thereof the following:

16 "(c) The General Assembly further finds that the state has a significant interest in ensuring
17 the availability of prescription drug benefits to our senior citizens at a reasonable cost. The
18 General Assembly further finds that providing such insurance to senior citizens through the
19 authority created in this chapter will result in the increased availability of health care
20 services to senior citizens of this state, which is of substantial benefit to the state and its
21 citizens.

22 (d) The General Assembly further finds that certain civil justice reforms as provided in
23 this".

24 By striking the word "chapter" and inserting in lieu thereof the word "article" each time it
25 appears on lines 13 and 16 of page 2; lines 18 and 36 of page 3; line 11 of page 4; lines 29
26 and 33 of page 5; line 13 of page 6; lines 2, 18, and 31 of page 8; lines 6, 7, 14, 23, and 33
27 of page 9; lines 19, 25, 26, 27, 28, and 36 of page 10; lines 3, 30, and 33 of page 11; and lines
28 28, 31, and 35 of page 13.

29 By inserting immediately following line 10 of page 14 the following:

1 "31-46-50.

2 (a) There is created a body corporate and politic to be known as the Georgia Prescriptive
3 Drug Benefit Authority which shall be deemed to be a public corporation of the State of
4 Georgia and by that name, style, and title said body may contract and be contracted with,
5 sue and be sued, implead and be impleaded, and complain and defend in all courts of law
6 and equity.

7 (b) The authority shall consist of 13 members as follows:

8 (1) Three members shall be appointed by the Governor. The terms of the initial members
9 appointed by the Governor shall begin July 1, 2004, and one such member shall serve for
10 a term of two years, one such member shall serve for a term of three years, and one such
11 member shall serve for a term of four years. Thereafter, all members appointed by the
12 Governor shall serve for terms of four years;

13 (2) Three members shall be appointed by the President of the Senate. The terms of the
14 initial members appointed by the President of the Senate shall begin July 1, 2004, and one
15 such member shall serve for a term of two years, one such member shall serve for a term
16 of three years, and one such member shall serve for a term of four years. Thereafter all
17 members appointed by the President of the Senate shall serve for terms of four years;

18 (3) Three members shall be appointed by the Speaker of the House of Representatives
19 for terms concurrent with the Speaker's term as Speaker; and

20 (4) The following shall serve ex officio: the state auditor, the commissioner of
21 community health, the Commissioner of Insurance, and the director of the Risk
22 Management Division of the Department of Administrative Services. All members shall
23 serve until their successors are appointed and qualified. All members shall be residents
24 of Georgia.

25 (c) The members of the authority shall elect one of their members as chairperson and
26 another as vice chairperson. They shall also elect a secretary and a treasurer who need not
27 be members. The offices of secretary and treasurer may be combined in one person.

28 (d) The authority may make such bylaws for its government as is deemed necessary but
29 is under no obligation to do so.

30 (e) Any nine members of the authority shall constitute a quorum necessary for the
31 transaction of business, and a majority vote of those present at any meeting at which there
32 is a quorum shall be sufficient to do and perform any action permitted to the authority by
33 this article, except that the votes of a majority of the total membership of the authority shall
34 be required in order for the authority to incur any obligation or indebtedness or enter into
35 any contract or agreement. No person shall be entitled to exercise or cast a proxy vote for
36 any member. No vacancy on the authority shall impair the right of a quorum to transact any
37 and all business.

1 (f) The members shall receive no compensation for their services, but all members shall
 2 be entitled to be reimbursed from funds of the authority for actual expenses, including
 3 travel and any other expenses, incurred while in the performance of their duties. Employees
 4 of the authority shall receive reasonable compensation, to be determined by the members
 5 of the authority, for their services.

6 (g) A vacancy in one of the appointive positions shall be filled in the same manner as the
 7 original appointment for the remainder of the unexpired term.

8 31-46-51.

9 As used in this article, the term:

10 (1) 'Authority' means the Georgia Prescriptive Drug Benefit Authority created in Code
 11 Section 31-46-50.

12 (2) 'Bond,' 'bonds,' or 'revenue bonds' means revenue bonds, refunding notes, notes,
 13 interim certificates, bond anticipation notes, and other evidences of indebtedness of the
 14 authority issued under this article.

15 (3) 'Citizen' or 'citizens' means citizens of the State of Georgia who are 60 years of age
 16 or older.

17 (4) 'Insurance' means an insurance or indemnity policy which would pay for all or part
 18 of the costs of prescription drugs.

19 31-46-52.

20 (a) The authority shall have power:

21 (1) To have a seal and alter the same at pleasure;

22 (2) To adopt, amend, and repeal bylaws and rules consistent with this article to regulate
 23 its affairs, to carry into effect the powers and purposes of the authority, and to conduct
 24 its business;

25 (3) To acquire by purchase, lease, or otherwise, with the exception of eminent domain,
 26 and to hold, lease, and dispose of real and personal property of every kind and character
 27 for its corporate purposes;

28 (4) To acquire in its own name by purchase, on such terms and conditions and in such
 29 manner as it may deem proper, real property or rights of easements therein or franchises
 30 necessary or convenient for its corporate purposes and to use the same so long as its
 31 corporate existence shall continue; to lease or make contracts with respect to the use of
 32 the same; or to dispose of the same in any manner it deems to the best advantage of the
 33 authority;

1 (5) To appoint, select, and employ officers, agents, consultants, and employees,
2 including, but not limited to, fiscal agents, actuaries, accountants, risk managers, health
3 care and financial experts, and attorneys and fix their respective compensations;

4 (6) To appoint, select, and employ an executive director which action shall be
5 mandatory;

6 (7) To make contracts and leases and to execute all instruments necessary or convenient
7 and to dispose by conveyance of its title in fee simple of real and personal property of
8 every kind and character. Any and all persons, firms, and corporations; the state; and any
9 and all political subdivisions, departments, institutions, or agencies of the state are
10 authorized to enter into contracts, leases, or agreements with the authority upon such
11 terms and for such purposes as they deem advisable. The authority is specifically
12 authorized to convey title, in fee simple, to any and all of its lands and any improvements
13 thereon to any persons, firms, corporations, municipalities, the State of Georgia, or the
14 United States government, or any agency or department thereof;

15 (8) To invest and reinvest funds;

16 (9) To provide, obtain, or purchase insurance or reinsurance agreements or both under
17 such terms and conditions as the authority deems appropriate;

18 (10) To settle and pay claims under such insurance agreements under such conditions
19 and terms as the authority deems appropriate;

20 (11) To accept loans or grants of money or materials or property of any kind from the
21 United States of America or any agency or instrumentality thereof upon such terms and
22 conditions as the United States of America or such agency or instrumentality may
23 impose;

24 (12) To accept loans or grants of money or materials or property of any kind from the
25 State of Georgia or any agency or instrumentality or political subdivision thereof upon
26 such terms and conditions as the State of Georgia or such agency or instrumentality or
27 political subdivision may impose;

28 (13) To exercise any power usually possessed by private corporations performing similar
29 functions which is not in conflict with the Constitution and laws of this state;

30 (14) To sell, convey, mortgage, pledge, assign, lease, exchange, transfer, or otherwise
31 dispose of all or any part of its property or assets;

32 (15) To borrow money for any corporate purposes from any bank, banks, or other
33 lending institutions and to execute evidences of such indebtedness and to secure the
34 same;

35 (16) To fix, alter, charge, and collect premiums from participating citizens for
36 prescription drug benefit insurance provided by or procured by the authority, such rates
37 to be at least sufficient to provide for payment of all expenses of the authority, the

1 conservation, maintenance, and operation of the authority on a sound actuarial basis, the
2 payment of principal and interest on its notes, bonds, and other evidences of indebtedness
3 or obligation, and to fulfill the terms and provisions of any agreement made with the
4 purchasers and holders of any such notes, bonds, or other evidences of indebtedness or
5 obligation; and

6 (17) To do all things necessary or convenient to carry out the powers expressly given in
7 this article.

8 (b) No part of the revenues or assets of the authority may inure to the benefit of or be
9 distributable to its members or officers or other private persons. Any net earnings of the
10 authority beyond that necessary for retirement of authority indebtedness or to implement
11 the public purposes of this article shall inure to the benefit of the state. Upon termination
12 or dissolution, all rights and properties of the authority shall pass to and are vested in the
13 state, subject to the rights of lienholders and other creditors.

14 31-46-53.

15 (a) The executive director shall approve all accounts for salaries, allowable expenses, and
16 expenses incidental to the operation of the authority.

17 (b) The executive director shall manage the staff and employees of the authority under the
18 direction and approval of the authority.

19 (c) The executive director shall attend the meetings of the authority and shall maintain a
20 record of the proceedings of the authority along with all books, documents, and papers filed
21 with the authority, the minutes of the authority, and its official seal. The executive director
22 may cause copies to be made of all minutes and other records and documents of the
23 authority and may give certificates under seal of the authority to the effect that such copies
24 are true copies, and all persons dealing with the authority may rely upon such certificates.

25 31-46-54.

26 (a) Without limiting the generality of any provisions of this article, the general purpose of
27 the authority is declared to be that of providing or procuring insurance for citizens in this
28 state. The authority may develop, market, finance, and maintain one or more programs of
29 insurance for such citizens that desire to participate in such program and the authority shall
30 be authorized to do any and all things deemed by the authority to be necessary, convenient,
31 or desirable for and incident to the efficient and proper development and operation of such
32 types of undertakings.

33 (b) The authority and its activities shall not be subject to Title 33. The Commissioner of
34 Insurance may, however, adopt and enforce rules, regulations, and standards to ensure the
35 fiscal and actuarial soundness of the authority and its activities; and all records of the

1 authority shall be open at any time to inspection by the Commissioner of Insurance or his
2 or her authorized agents.

3 31-46-55.

4 In developing a program of insurance for citizens that desire to participate in such program,
5 the authority may establish such eligibility standards and underwriting criteria for
6 participating citizens as the authority deems appropriate.

7 31-46-56.

8 (a) All meetings of the authority shall be open to the public at all times. Ample notice shall
9 be given to all members of the authority and to the public of any special or called meeting
10 of the authority. The minutes of all meetings and all actions taken by the authority shall
11 likewise be open to public inspection.

12 (b) Each purchase made on behalf of the authority of personal property or services in
13 excess of \$20,000.00 shall be accomplished pursuant to competitive bids, after having
14 published invitations to bid in one or more newspapers in general circulation in the state
15 prior to the award of any contract. All bids shall be opened during meetings of the
16 authority, and the rejection or acceptance thereof shall be entered upon the minutes of the
17 authority.

18 (c) Any surplus or unserviceable property of the authority shall be disposed of pursuant
19 to competitive bids which shall be advertised in one or more newspapers in general
20 circulation in the state. All bids for the disposal of such property shall be opened during
21 public meetings of the authority, and the acceptance or rejection thereof shall be entered
22 upon the minutes of the authority.

23 (d) At the conclusion of each fiscal year of the authority, the affairs of the authority shall
24 be audited by a certified public accounting firm and a report of such audit shall be
25 submitted to the General Assembly for review.

26 31-46-57.

27 (a) Every member of the authority and every employee of the authority who knowingly
28 has any interest, direct or indirect, in any contract to which the authority is or is about to
29 become a party, in any other business of the authority, or in any firm or corporation doing
30 business with the authority shall make full disclosure of such interest to the authority.
31 Failure to disclose such an interest shall constitute cause for which an authority member
32 may be removed or an employee discharged or otherwise disciplined at the discretion of
33 the authority.

1 (b) Any contract or transaction of the authority involving a conflict of interest not
2 disclosed under subsection (a) of this Code section or involving a violation of any other
3 provision of law regulating conflicts of interest which is applicable to the authority or its
4 members, officers, or employees shall be voidable by the authority.

5 31-46-58.

6 The Attorney General shall provide legal services for the authority and Code Sections
7 45-15-13 through 45-15-16 shall apply with respect to such provision of legal services.

8 31-46-59.

9 (a) The authority may issue bonds for the purposes of this article, including without
10 limitation the provision of initial capital or reserves or both needed for the provision or
11 procurement of insurance services by the authority.

12 (b) The authority shall have the power to borrow money and to issue bonds, regardless of
13 whether the interest payable by the authority incident to such loans or bonds or income
14 derived by the holders of the evidence of such indebtedness or bonds is, for purposes of
15 federal taxation, includable in the taxable income of the recipients of such payments or is
16 otherwise not exempt from the imposition of such taxation on the recipient.

17 (c) No bonds, notes, or other obligations of, and no indebtedness incurred by, the authority
18 shall constitute an indebtedness or obligation or a pledge of the faith and credit of the State
19 of Georgia or its agencies; nor shall any act of the authority in any manner constitute or
20 result in the creation of an indebtedness of the state or its agencies or a cause of action
21 against the state or its agencies.

22 (d) It is found, determined, and declared that the creation of the authority and the carrying
23 out of its corporate purpose are in all respects for the benefit of the people of this state and
24 are a public purpose and the authority will be performing an essential government function
25 in the exercise of the powers conferred upon it by this article. The state covenants with the
26 holders of the bonds that the authority shall not be required to pay any taxes or assessments
27 upon any of the property acquired or leased by the authority or under the jurisdiction,
28 control, possession, or supervision of the authority or upon the activities of the authority
29 in the financing of the activities financed by the authority or upon any principal, interest,
30 premium, fees, charges, or other income received by the authority and that the bonds of the
31 authority, their transfer, and the income therefrom shall at all times be exempt from
32 taxation within the state. The exemption from taxation is declared to specifically extend to
33 any subsidiary corporation created by the board of directors of the authority but shall not
34 extend to tenants or lessees of the authority unless otherwise exempt from taxation. The

1 exemption from taxation shall include exemptions from sales and use taxes on property
2 purchased by the authority or for use by the authority.

3 (e) The state does pledge to and agree with the holders of any bonds issued by the
4 authority pursuant to this article that the state will not alter or limit the rights vested in the
5 authority to fulfill the terms of any agreement made with or for the benefit of the holders
6 of bonds or in any way impair the rights and remedies of bondholders until the bonds,
7 together with the interest thereon, with interest on any unpaid installments of interest, and
8 all costs and expenses in connection with any action or proceeding by or on behalf of such
9 holders, are fully met and discharged or funds for the payment of such are fully provided.
10 The authority is authorized to include this pledge and agreement of the state in any
11 agreement with bondholders.

12 31-46-60.

13 (a) The offer, sale, or issuance of bonds, notes, or other obligations by the authority shall
14 not be subject to regulation under Chapter 5 of Title 10, the 'Georgia Securities Act of
15 1973.' No notice, proceeding, or publication except those required in this article is
16 necessary to the performance of any act authorized in this article; nor is any such act
17 subject to referendum.

18 (b) The authority shall fix such rates, fees, and charges for use of its services and facilities
19 as is sufficient in the aggregate, when added to any other grants or funds available to the
20 authority, to provide funds for the payment of the interest on and principal of all bonds
21 payable from said revenues and to meet all other encumbrances upon such revenues as
22 provided by any agreement executed by the authority in connection with the exercise of its
23 powers under this article and for the payment of all operating costs and expenses which
24 shall be incurred by the authority, including provisions for appropriate reserves.

25 (c) The use and disposition of the authority's revenue is subject to the provisions of the
26 resolutions authorizing the issuance of any bonds payable therefrom or of the trust
27 agreement or indenture, if any, securing the same. The authority may designate any of its
28 bonds as general obligations or may limit the source of repayment pursuant to the
29 resolution authorizing the issuance of the bonds.

30 (d) The making of any loan commitment or loan, and the issuance, in anticipation of the
31 collection of the revenues from such loan or loans, of bonds to provide funds therefor, may
32 be authorized under this article by resolution of the authority. Unless otherwise provided
33 therein, such resolution shall take effect immediately and need not be published or posted.
34 The authority, in determining the amount of such bonds, may include all costs and
35 estimated costs of the issuance of the bonds; all fiscal, legal, and trustee expenses; and all
36 costs of the project. Such bonds may also be issued to pay off, refund, or refinance any

1 outstanding bonds or other obligations of any nature, whether or not such bonds or other
2 obligations are then subject to redemption; and the authority may provide for such
3 arrangements as it may determine for the payment and security of the bonds being issued
4 or for the payment and security of the bonds or other obligations to be paid off, refunded,
5 or refinanced.

6 (e) Bonds may be issued under this article in one or more series; may bear such date or
7 dates; may mature at such time or times, not exceeding 40 years from their respective
8 dates; may bear interest at such rate or rates, payable at such time or times; may be payable
9 in such medium of payment at such place or places; may be in such denomination or
10 denominations; may be in such form, either coupon or registered or book entry; may be
11 issued in such specific amounts; may carry such registration, conversion, and
12 exchangeability privileges; may be declared or become due before the maturity date
13 thereof; may provide such call or redemption privileges; may have such rank or priority;
14 may be the subject of a put or agreement to repurchase by the authority or others; may be
15 resold by the authority, once acquired, without the acquisition being considered the
16 extinguishment of the bonds; may be issued for a project or for more than one project,
17 whether or not such project is identified at the time of bond issuance; and may contain such
18 other terms, covenants, assignments, and conditions as the bond resolution authorizing the
19 issuance of such bonds or any indenture or trust agreement may provide. The authority may
20 sell such bonds in such manner, at such price or prices, and on such terms and conditions
21 as the authority determines.

22 (f) The bonds must be signed by the chairperson or vice chairperson of the authority; the
23 corporate seal of the authority must be impressed, imprinted, or otherwise reproduced on
24 the bonds; and the bonds must be attested by the signature of the secretary or assistant
25 secretary of the authority. The signatures of the officers of the authority and the seal of the
26 authority on any bond issued by the authority may be facsimile if the instrument is
27 authenticated or countersigned by a trustee other than the authority itself or an officer or
28 employee of the authority. All bonds issued under authority of this article bearing
29 signatures or facsimiles of signatures of officers of the authority in office on the date of the
30 signing thereof are valid and binding, notwithstanding that before the delivery thereof and
31 payment therefor such officers whose signatures appear thereon have ceased to be officers
32 of the authority. Pending the preparation of the definitive bonds, interim certificates, in
33 such form and with such provisions as the authority may determine, may be issued to the
34 purchasers of bonds to be issued under this article.

35 (g) The provisions of this article and of any bond resolution, indenture, or trust agreement
36 entered into pursuant to this article are a contract with every holder of the bonds; and the
37 duties of the authority under this article and under any such bond resolution, indenture, or

1 trust agreement are enforceable by any bondholder by mandamus or other appropriate
2 action or proceeding at law or in equity.

3 (h) The authority may provide for the replacement of any bond which becomes mutilated,
4 lost, or destroyed in the manner provided by the resolution, indenture, or trust agreement.

5 (i) Any limitations with respect to interest rates or any maximum interest rate or rates
6 found in Article 3 of Chapter 82 of Title 36, the 'Revenue Bond Law,' the usury laws of this
7 state, or any other laws of this state do not apply to bonds of the authority.

8 (j) All bonds issued by the authority under this article shall be issued and shall be validated
9 by the Superior Court of Fulton County, Georgia, under and in accordance with the
10 procedures set forth in Code Sections 36-82-73 through 36-82-83, which comprise a
11 portion of the 'Revenue Bond Law,' as now or hereafter in effect, except as provided in this
12 article. Notes and other obligations of the authority may be, but are not required to be, so
13 validated.

14 (k) All bonds must bear a certificate of validation signed by the clerk of the Superior Court
15 of Fulton County, Georgia. Such signature may be made on the certificate of validation of
16 such bonds by facsimile or by manual execution, stating the date on which such bonds were
17 validated; and such entry is original evidence of the fact of judgment and shall be received
18 as original evidence in any court in this state.

19 (l) The authority shall reimburse the district attorney for his or her actual costs, if any,
20 associated with the bond validation proceedings. The fees payable to the clerk of the
21 Superior Court of Fulton County for validation and confirmation shall be as follows for
22 each bond, regardless of the denomination of such bond: \$1.00 for each bond for the first
23 100 bonds; 25¢ for each of the next 400 bonds; and 10¢ for each bond over 500.

24 (m) In lieu of specifying the rate or rates of interest which bonds to be issued by the
25 authority are to bear, the notice to the district attorney or the Attorney General; the notice
26 to the public of the time, place, and date of the validation hearing; and the petition and
27 complaint for validation may state that the bonds when issued will bear interest at a rate not
28 exceeding a maximum per annum rate of interest, which may be fixed or may fluctuate or
29 otherwise change from time to time, specified in such notices and the petition and
30 complaint or may state that, if the bonds are to bear different rates of interest for different
31 maturity dates, none of such rates will exceed the maximum rate, which may be fixed or
32 may fluctuate or otherwise change from time to time, so specified; provided, however, that
33 nothing in this Code section shall be construed as prohibiting or restricting the right of the
34 authority to sell such bonds at a discount, even if in doing so the effective interest cost
35 resulting therefrom would exceed the maximum per annum interest rate specified in such
36 notices and in the petition and complaint.

1 (n) Prior to issuance, all bonds shall be subject to the approval of the Georgia State
2 Financing and Investment Commission.

3 (o) Any other law to the contrary notwithstanding, this article shall govern all civil claims,
4 proceedings, and actions respecting debt of the authority evidenced by bonds.

5 31-46-61.

6 The bonds authorized by this article are securities in which:

7 (1) All public officers and bodies of this state;

8 (2) All local governments of this state;

9 (3) All insurance companies and associations and other persons carrying on an insurance
10 business;

11 (4) All banks, bankers, trust companies, savings banks, and savings associations,
12 including savings and loan associations, building and loan associations, investment
13 companies, and other persons carrying on a banking business;

14 (5) All administrators, guardians, executors, trustees, and other fiduciaries; and

15 (6) All other persons whomsoever who are authorized to invest in bonds or other
16 obligations of this state

17 may properly and legally invest funds, including capital in their control or belonging to
18 them. Such bonds are also securities which may be deposited with and shall be received by
19 all public officers and bodies of this state and local governments for any purpose for which
20 deposit of the bonds or other obligations of this state is authorized.

21 31-46-62.

22 (a) All or any part of the gross or net revenues and earnings derived from any particular
23 loan or loans and any and all revenues and earnings received by the authority, regardless
24 of whether such revenues and earnings were produced by a particular loan or loans for
25 which bonds have been issued, may be pledged by the authority to the payment of the
26 principal of and interest on bonds of the authority as may be provided in any resolution
27 authorizing the issuance of such bonds or in any indenture or trust agreement pertaining to
28 such bonds.

29 (b) Such funds so pledged, from whatever source received, may include funds received
30 from one or more of all sources and may be set aside at regular intervals into sinking funds
31 for which provision may be made in any such resolution or indenture or trust agreement,
32 which sinking funds may be pledged to and charged with the payment of:

33 (1) The interest on such bonds as such interest becomes due;

34 (2) The principal of the bonds as the same mature;

35 (3) The necessary charges of any trustee, paying agent, or registrar for such bonds;

1 (4) Any premium on bonds retired on call or purchase; and

2 (5) Reimbursement of a credit enhancement provider who has paid principal of or
3 premium or interest on any bond.

4 (c) The use and disposition of any sinking fund may be subject to regulations for which
5 provision may be made in the resolution authorizing the issuance of the bonds or in the
6 trust instrument or indenture securing the payment of the same.

7 31-46-63.

8 (a) Any issue of bonds may be secured by a trust agreement or indenture made by the
9 authority with a corporate trustee, which may be any trust company or bank having the
10 power of a trust company inside or outside this state. Such trust agreement or indenture
11 may pledge or assign all revenue, receipts, and earnings to be received by the authority
12 from any source and any proceeds which may derive from the disposition of any real or
13 personal property of the authority or proceeds of insurance carried thereon.

14 (b) The resolution providing for the issuance of bonds and such trust agreement or
15 indenture may contain provisions for protecting and enforcing the rights and remedies of
16 the bondholders, including the right of appointment of a receiver on default in the payment
17 of any principal or interest obligation and the right of any receiver or trustee to enforce
18 collection of any rates, fees, and charges pertaining to any loan, any overdue principal and
19 interest on any loan, any overdue principal of and interest on all bonds in the issue, all costs
20 of collection, and all other costs reasonably necessary to accomplish the collection of such
21 sums in the event of any default of the authority.

22 (c) Such resolution, trust agreement, or indenture may include covenants setting forth the
23 duties of the authority regarding the custody, safeguarding, and application of all funds of
24 the authority, including any proceeds derived from the disposition of any real or personal
25 property of the authority or proceeds of insurance carried thereon. In addition, such
26 resolution, trust agreement, or indenture may include covenants providing for the
27 operation, maintenance, repair, and insurance of any facility or capital improvements
28 constructed or acquired with loan proceeds.

29 (d) All expenses incurred in carrying out any trust agreement or indenture under this Code
30 section may be treated as a part of the cost of financing and administering the loans that
31 will be funded or acquired with the proceeds of the bonds governed by such trust
32 agreement or indenture.

33 31-46-64.

34 (a) All moneys received pursuant to the provisions of this article, whether as proceeds
35 from the sale of bonds or other obligations, as grants or other contributions, or as revenues

1 and earnings, shall be deemed to be trust funds to be held and applied solely as provided
2 in this article. The authority shall, in the resolution providing for the issuance of bonds or
3 in the trust indenture, provide for the payment of the proceeds of the sale of the bonds and
4 the earnings and revenues to be received to any officer who, or any agency, bank, or trust
5 company which, shall act as trustee of such funds and shall hold and apply the same to the
6 purposes expressed in this article, subject to such regulations as this article and such
7 resolution or trust indenture may provide.

8 (b) The authority may pledge for the payment of its bonds such assets, funds, and
9 properties as the resolution providing for the issuance of its bonds may provide. Any such
10 pledge made by the authority is valid and binding from the time when the pledge is made;
11 the moneys or properties so pledged and thereafter received by the authority are
12 immediately subject to the lien of such pledge without any physical delivery thereof or
13 further act; and the lien of any such pledge is valid and binding as against all parties having
14 claims of any kind against the authority, irrespective of whether such parties have notice
15 thereof. No resolution or any other instrument by which a pledge is created need be
16 recorded.

17 ARTICLE 4"

18 By renumbering Code Sections 31-46-50 through 31-46-53 on pages 14, 15, and 16 of said
19 substitute as Code Sections 31-46-80 through 31-46-83, respectively.