

House Bill 298

By: Representatives Hembree of the 67th, Ehrhart of the 36th, Martin of the 47th, and Smith of the 113th

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 7 of Chapter 3 of Title 20 of the Official Code of Georgia Annotated,
2 relating to scholarships, grants, and loans, so as to allow the Georgia Higher Education
3 Assistance Corporation and the Georgia Student Finance Authority to exercise powers
4 possessed by private corporations performing similar functions; to increase the amount of
5 bonds that the Georgia Student Finance Authority may issue; to provide the Georgia Student
6 Finance Authority with collection tools to collect unpaid service cancelable loans that are in
7 cash repayment status; to provide the Georgia Student Finance Commission with collection
8 tools to collect unpaid HOPE scholarship and grant funds; to provide for related matters; to
9 repeal conflicting laws; and for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 **SECTION 1.**

12 Article 7 of Chapter 3 of Title 20 of the Official Code of Georgia Annotated, relating to
13 scholarships, grants, and loans, is amended by striking subparagraph (JJ) of paragraph (1) of
14 Code Section 20-3-266, relating to powers and duties of the Georgia Higher Education
15 Assistance Corporation, and inserting in lieu thereof a new subparagraph (JJ) to read as
16 follows:

17 "(JJ) To do any and all things necessary, desirable, convenient, or incidental for the
18 accomplishment of the objectives of this chapter and to exercise any power usually
19 possessed by private corporations performing similar functions which is not in conflict
20 with the public purposes of the corporation or the Constitution and laws of this state,
21 including, but not limited to:

22 (i) The power to retain accounting and other financial services;

23 (ii) The power to purchase all kinds of insurance, including, without limitation,
24 insurance against tort liability and against risks of damage to property;

25 (iii) The power to indemnify and hold harmless any parties contracting with the
26 corporation or its agents from damage to persons or property; and

1 under this subpart in accordance with resolutions or other agreements with holders of any
2 outstanding bonds or other obligations of the authority. The bonds or notes of each issue
3 shall be dated, shall bear interest at such rates, may be redeemable before maturity at the
4 option of the authority at such price or prices as may be determined by the authority, and
5 shall be under such other terms and conditions as may be determined by the authority.
6 Notes shall mature at such time or times, not exceeding five years from their date or dates,
7 and bonds shall mature at such time or times, not exceeding 40 years from their date or
8 dates, as may be determined by the authority. The authority shall determine the form of
9 such bonds or notes, including coupon form, registered form, registration as to principal
10 only, or all of the foregoing forms, and shall determine the right of reconversion or
11 interchange into other forms. The authority shall fix the denomination or denominations
12 and the place or places of payment of principal and interest, which may be any bank or
13 trust company within or outside the state. All such bonds shall be executed in the name of
14 the authority by the chairperson and the secretary of authority and shall be sealed with the
15 official seal of the authority or a facsimile thereof. Coupons shall be executed in the name
16 of the authority by the chairperson of the authority. The facsimile signature of either the
17 chairperson or the secretary of the authority may be imprinted in lieu of the manual
18 signature if the authority so directs and the facsimile of the chairperson's signature shall
19 be used on coupons. In case any officer whose signature or a facsimile of whose signature
20 shall appear on any bonds or notes or coupons attached thereto shall cease to be such
21 officer before the delivery thereof, his or her signature or facsimile signature shall
22 nevertheless be valid and sufficient for all purposes as if he or she had remained in office
23 until such delivery. The authority may also provide for the authentication of the bonds or
24 notes by a trustee or fiscal agent. Prior to the preparation of definitive bonds, the board of
25 directors may issue interim receipts, interim certificates, or temporary bonds exchangeable
26 for definitive bonds upon the issuance of the latter. The authority may also provide for the
27 replacement of any bond which shall become mutilated or be destroyed or lost. Such
28 revenue bonds may be issued without any other proceedings or the happening of any other
29 conditions or things than those proceedings, conditions, and things which are specified or
30 required by this part. Upon the approval of a resolution of the authority authorizing the
31 sale of its bonds or notes, such bonds or notes may be sold in such manner, either at public
32 or private sale, and for such price as the authority shall determine to be in the best interests
33 of the authority and to effectuate best its purposes under this subpart."

