

Senate Bill 227

By: Senator Cagle of the 49th

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 36 of the Official Code of Georgia Annotated, relating to local government,
2 and Title 50 of the Official Code of Georgia Annotated, relating to state government, so as
3 to provide for the entering into of cap, collar, swap, and other derivative transactions
4 regarding interest rates that manage interest rate risk or cost with respect to the issuance of
5 certain bonds; to provide for definitions; to provide for procedures, conditions, and
6 limitations; to provide for powers, duties, and authority of the Georgia State Financing and
7 Investment Commission; to provide for related matters; to provide an effective date; to repeal
8 conflicting laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 **SECTION 1.**

11 Title 36 of the Official Code of Georgia Annotated, relating to local government, is amended
12 by adding a new article at the end of Chapter 82, relating to bonds, to be designated Article
13 11, to read as follows:

14 "ARTICLE 11

15 36-82-250.

16 As used in this article, the term:

17 (1) 'Counterparty' means the party entering into a qualified interest rate management
18 agreement with the local governmental entity. A counterparty must be a bank, insurance
19 company, or other financial institution duly qualified to do business in the state that
20 either:

21 (A) Has, or whose obligations are guaranteed by an entity that has, at the time of
22 entering into a qualified interest rate management agreement and for the entire term
23 thereof, a long-term unsecured debt rating or financial strength rating in one of the top
24 two ratings categories, without regard to any refinement or gradation of rating category

1 by numerical modifier or otherwise, assigned by any two of the following: Moody's
2 Investors Service, Inc., Standard & Poors Ratings Service, a division of The
3 McGraw-Hill Companies, Inc., Fitch, Inc., or such other nationally recognized ratings
4 service approved by the governing body of the local governmental entity; or

5 (B) Has collateralized its obligations under a qualified interest rate management
6 agreement in a manner approved by the local governmental entity.

7 (2) 'Debt' shall include bonds, including, but not limited to, general obligation bonds and
8 revenue bonds, notes, warrants, certificates, or other evidences of indebtedness for
9 borrowed money, and lease or installment purchase contracts or other obligations issued
10 or to be issued by any local governmental entity.

11 (3) 'Independent financial adviser' means a person or entity experienced in the financial
12 aspects and risks of qualified interest rate management agreements that is retained by the
13 local governmental entity to render advice with respect to a qualified interest rate
14 management agreement. The independent financial adviser may not be the counterparty
15 or an affiliate or agent of the counterparty on a qualified interest rate management
16 agreement with respect to which the independent financial adviser is advising the local
17 governmental entity.

18 (4) 'Interest rate management plan' means a written plan prepared or reviewed by an
19 independent financial adviser with respect to qualified interest rate management
20 agreements of the local governmental entity, which plan has been approved by the
21 governing body of the local governmental entity.

22 (5) 'Local governmental entity' means any governmental body as defined in paragraph
23 (2) of Code Section 36-82-61, as amended; provided, however, that such term shall only
24 include authorities which are local public authorities included in the definition thereof set
25 forth in subparagraph (C) of paragraph (2) of Code Section 36-82-61, as amended.

26 (6) 'Qualified interest rate management agreement' means an agreement, including a
27 confirmation evidencing a transaction effected under a master agreement entered into by
28 the local governmental entity in accordance with, and fulfilling the requirements of, Code
29 Section 36-82-243, which agreement in the judgment of the local governmental entity is
30 designed to manage interest rate risk or interest cost of the local governmental entity on
31 any debt the local governmental entity is authorized to incur, including, but not limited
32 to, interest rate swaps or exchange agreements, interest rate caps, collars, corridors,
33 ceiling, floor, and lock agreements, forward agreements, swaptions, warrants, and other
34 interest rate agreements which, in the judgment of the local governmental entity, will
35 assist the local governmental entity in managing its interest rate risk or interest cost.

1 36-82-251.

2 With respect to all or any portion of any debt, either issued or anticipated to be issued by
3 the local governmental entity, the local governmental entity may enter into, terminate,
4 amend, or otherwise modify a qualified interest rate management agreement under such
5 terms and conditions as the local governmental entity may determine, including, without
6 limitation, provisions permitting the local governmental entity to pay to or receive from
7 any counterparty any loss of benefits under such agreement upon early termination thereof
8 or default under such agreement.

9 36-82-252.

10 (a) Prior to executing and delivering a qualified interest rate management agreement, the
11 local governmental entity shall have adopted an interest rate management plan that
12 includes:

13 (1) An analysis of the interest rate risk, basis risk, termination risk, credit risk,
14 market-access risk, and other risks to the local governmental entity entering into qualified
15 interest rate management agreements;

16 (2) The local governmental entity's procedure for approving and executing qualified
17 interest rate management agreements;

18 (3) The local governmental entity's plan to monitor interest rate risk, basis risk,
19 termination risk, credit risk, market-access risk, and other risks;

20 (4) The local governmental entity's procedure for maintaining current records of all
21 qualified interest rate management agreements that have been approved and executed;
22 and

23 (5) Such other provisions as may from time to time be required by the governing body
24 of the local governmental entity, including but not limited to additional provisions due
25 to changes in market conditions for qualified interest rate management agreements.

26 (b) The local governmental entity shall conduct an annual review of its interest rate
27 management plan as to the adequacy of the procedures set forth in such plan for the
28 analysis and monitoring requirements set forth in subsection (a) of this Code section. A
29 report summarizing the results of such review shall be submitted annually to the governing
30 body of the local governmental entity. The requirements of this subsection shall not be
31 construed as to require the review of any existing interest rate management plan by an
32 independent financial adviser.

33 36-82-253.

34 (a) Each qualified interest rate management agreement shall meet the following
35 requirements:

1 (1) Subject to subsection (b) of this Code section, the maximum term, including any
2 renewal periods, of any qualified interest rate management agreement may not exceed ten
3 years unless such longer term has been approved by the governing body of the local
4 governmental entity; provided, however, that in no case may the term of the qualified
5 interest rate management agreement exceed the latest maturity date of the bonds, notes,
6 or debt referenced in the qualified interest rate management agreement;

7 (2) The local governmental entity shall enter into a qualified interest rate management
8 agreement only with a counterparty meeting the requirements set forth in paragraph (1)
9 of Code Section 36-82-250;

10 (3) Prior to the execution and delivery by the local governmental entity of any qualified
11 interest rate management agreement, an interest rate management plan meeting the
12 requirements of Code Section 36-82-252 must have been approved by the governing body
13 of the local governmental entity and the governing body of the local governmental entity
14 shall have been provided evidence that such qualified interest rate management
15 agreement is in compliance with the existing interest rate management plan;

16 (4) Any qualified interest rate management agreement shall be payable only in the
17 currency of the United States of America; and

18 (5) Unless otherwise approved by the governing body of the local governmental entity,
19 the notional amount of any qualified interest rate management agreement shall not exceed
20 the outstanding principal amount of the debt to which such agreement relates.

21 (b) A qualified interest rate management agreement may provide that it shall terminate
22 absolutely at the close of the calendar year in which it was executed and at the close of
23 each succeeding calendar year for which it may be renewed and may also provide for
24 automatic renewal unless positive action is taken by the local governmental entity to
25 terminate such contract; and the nature of such action shall be determined by the local
26 governmental entity and specified in the contract. A qualified interest rate management
27 agreement which includes the termination and renewal provisions permitted by this
28 subsection: (1) may provide for the payment of any termination fee related to such
29 termination; and (2) shall not be deemed to create a debt of the local governmental entity
30 for the payment of any sum beyond the calendar year of execution or, in the event of a
31 renewal, beyond the calendar year of such renewal.

32 (c)(1) Any qualified interest rate management agreement of a local governmental entity
33 may provide that it is an unconditional, limited recourse obligation of such local
34 governmental entity payable from a specified revenue source.

35 (2) A local governmental entity may, in any qualified interest rate management
36 agreement that constitutes a limited recourse obligation of the local governmental entity,
37 pledge to the punctual payment of amounts due under the qualified interest rate

1 management agreement revenues from a specified revenue source, which shall not
2 include any taxes, including, without limitation, collateral derived from such revenue
3 source or proceeds of the debt, including debt for future delivery, to which such qualified
4 interest rate management agreement relates.

5 (d) A qualified interest rate management agreement that constitutes a limited recourse
6 obligation shall not be payable from or charged upon any funds other than the revenue
7 identified as the source of payment thereof, nor shall the local governmental entity entering
8 into the same be subject to any pecuniary liability thereon. No counterparty under any such
9 qualified interest rate management agreement shall ever have the right to compel any
10 exercise of the taxing power of the state or the local governmental entity to pay any amount
11 due under any such qualified interest rate management agreement, nor to enforce payment
12 thereof against any property of the state or local governmental entity, other than the
13 specified revenue source; nor shall any such qualified interest rate management agreement
14 constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the state
15 or local governmental entity, other than the specified revenue source. Every such qualified
16 interest rate management agreement shall contain a recital setting forth the substance of this
17 subsection.

18 (e) Any local governmental entity may enter into credit enhancement or liquidity
19 agreements in connection with any qualified interest rate management agreement
20 containing such terms and conditions as the governing body determines are necessary or
21 desirable, provided that any such agreement has the same source of payment as the related
22 qualified interest rate management agreement.

23 36-82-254.

24 The local governmental entity that has entered into a qualified interest rate management
25 agreement shall include in its annual financial statements information with respect to each
26 qualified interest rate management agreement it has authorized or entered into, including
27 any information required pursuant to any statement issued by the Governmental
28 Accounting Standards Board.

29 36-82-255.

30 When entering into any qualified interest rate management agreement authorized under this
31 article, the agreement shall be governed by the laws of the State of Georgia, and
32 jurisdiction over the local governmental entity in any matter concerning a qualified interest
33 rate management agreement shall lie exclusively in the courts of the State of Georgia or in
34 the applicable federal court having jurisdiction and located within the State of Georgia."

SECTION 2.

Chapter 17 of Title 50 of the Official Code of Georgia Annotated, relating to state government, is amended by adding a new article at the end of Chapter 17, relating to state debt, investment, and depositories, to be designated Article 5, to read as follows:

"ARTICLE 5

50-17-100.

As used in this article, the term:

(1) 'Commission' means the Georgia State Financing and Investment Commission as defined in paragraph (1) of Code Section 50-17-21, as amended.

(2) 'Counterparty' means the party entering into a qualified interest rate management agreement with the state party. A counterparty must be a bank, insurance company, or other financial institution duly qualified to do business in the state that either:

(A) Has, or whose obligations are guaranteed by an entity that has, at the time of entering into a qualified interest rate management agreement and for the entire term thereof, a long-term unsecured debt rating or financial strength rating in one of the top two ratings categories, without regard to any refinement or gradation of rating category by numerical modifier or otherwise, assigned by any two of the following: Moody's Investors Service, Inc., Standard & Poors Ratings Service, a division of The McGraw-Hill Companies, Inc., Fitch, Inc., or such other nationally recognized ratings service approved by the commission; or

(B) Has collateralized its obligations under a qualified interest rate management agreement in a manner approved by the commission.

(3) 'Debt' shall include all debt and revenue obligations that a state party is authorized to incur by law, including without limitation general obligation debt in the form of bonds or other obligations, guaranteed revenue debt in the form of bonds or other obligations, revenue bonds and other forms of revenue obligations, and all other debt or revenue undertakings, including, but not limited to, bonds, notes, warrants, certificates or other evidences of indebtedness, or other obligations for borrowed money issued or to be issued by any state party. 'Debt' includes any financing lease or installment purchase contracts of any state authority.

(4) 'Independent financial adviser' means a person or entity experienced in the financial aspects and risks of qualified interest rate management agreements that is retained by the state party to render advice with respect to a qualified interest rate management agreement. The independent financial adviser may not be the counterparty or an

1 affiliate or agent of the counterparty on a qualified interest rate management agreement
2 with respect to which the independent financial adviser is advising the state party.

3 (5) 'Interest rate management plan' means a written plan prepared or reviewed by an
4 independent financial adviser with respect to qualified interest rate management
5 agreements of the state party.

6 (6) 'Lease or installment purchase contract' means multiyear lease, purchase, installment
7 purchase, or lease purchase contracts within the meaning of Code Sections 50-5-64,
8 50-5-65, and 50-5-77 or substantially similar other or successor Code sections.

9 (7) 'State party' means the state and any state authority.

10 (8) 'Qualified interest rate management agreement' means an agreement, including a
11 confirmation evidencing a transaction effected under a master agreement, entered into by
12 the state party in accordance with, and fulfilling the requirements of, Code Section
13 50-17-101 which agreement in the judgment of the state party is designed to manage
14 interest rate risk or interest cost of the state party on any debt or lease or installment
15 purchase contract the state party is authorized to incur, including, but not limited to,
16 interest rate swaps or exchange agreements, interest rate caps, collars, corridors, ceiling,
17 floor, and lock agreements, forward agreements, swaptions, warrants, and other interest
18 rate agreements which, in the judgment of the state party, will assist the state party in
19 managing the interest rate risk or interest cost of the state or state authority.

20 (9) 'State authority' means any state authority as defined in paragraph (9) of Code Section
21 50-17-21, as amended.

22 50-17-101.

23 (a) The commission is authorized to and shall establish guidelines, rules, or regulations
24 with respect to the procedures for approving interest rate management plans and with
25 respect to any requirements for qualified interest rate management agreements. Such
26 guidelines, rules, and regulations shall apply to the interest rate management plans and
27 qualified interest rate management agreements of any state party. Such guidelines, rules,
28 and regulations shall not constitute a rule within the meaning of Chapter 13 of this title, the
29 'Georgia Administrative Procedure Act,' including, without limitation, the term 'rule' as
30 defined in paragraph (6) of Code Section 50-13-2 and used in Code Section 50-13-4.

31 (b) With respect to all or any portion of any debt or any lease or installment purchase
32 contract, either issued or anticipated to be issued by the state party, the state party may
33 enter into, terminate, amend, or otherwise modify a qualified interest rate management
34 agreement under such terms and conditions as the state party may determine, including,
35 without limitation, provisions permitting the state party to pay to or receive from any

1 counterparty any loss of benefits under such agreement upon early termination thereof or
2 default under such agreement.

3 (c) Payments received by a state party pursuant to the terms of a qualified interest rate
4 management agreement shall not be deposited into the state general fund but shall be
5 subject to disposition by the state party and applied in accord with the goals of managing
6 interest rate risk and interest cost as set forth in the qualified interest rate management
7 agreement, any authorizing document for the debt or the lease or installment purchase
8 contract to which such qualified interest rate management agreement relates, or such state
9 party's interest rate management plan.

10 (d)(1) With respect to any qualified interest rate management agreement related to all or
11 any portion of debt of a state party, the obligations of the state party contained in such
12 qualified interest rate management agreement may be incurred as related or additional
13 obligations of such debt and approved in the same manner as required for authorizing,
14 approving, and issuing such debt to the extent not otherwise prohibited, limited, or
15 impractical and consistent with any tax-exempt status of the related debt or lease or
16 installment purchase agreement. If this power is exercised with respect to state debt, the
17 obligations to pay a counterparty shall be subordinate to the obligations to pay holders
18 of general obligation debt, guaranteed revenue debt, and all payments required under
19 contracts entitled to the protection of the second paragraph of Paragraph I(a), Section VI,
20 Article IX of the Constitution of 1976.

21 (2) When the obligations of the state party are not incurred as debt pursuant to
22 paragraph (1) of this subsection and the qualified interest rate management agreement
23 relates to debt of a state authority, the qualified interest rate management agreement shall
24 be on such terms and conditions as the state party and counterparty agree consistent with
25 provisions of this article.

26 (3) When the obligations of the state party are not incurred as debt pursuant to
27 paragraph (1) of this subsection and the qualified interest rate management agreement
28 relates to debt of the state, the obligations of the state party contained in such qualified
29 interest rate management agreement may renew from fiscal year to fiscal year and may
30 provide for the payment of any termination fee related to a termination due as a result of
31 nonrenewal, so long as the following requirements are satisfied:

32 (A) Such qualified interest rate management agreement shall terminate absolutely at
33 the close of the fiscal year in which it was executed and at the close of each succeeding
34 fiscal year for which it may be renewed;

35 (B) Any renewal of such qualified interest rate management agreement shall require
36 positive action taken by the state party or in such other manner not otherwise prohibited

1 by law which method of renewal and termination, in either case, shall be specified in
2 the qualified interest rate management agreement; and

3 (C) Such qualified interest rate management agreement shall include a statement of the
4 total obligation of the state party for the fiscal year of execution and, if renewed, for the
5 fiscal year of renewal.

6 A qualified interest rate management agreement meeting the requirements of this
7 paragraph may also provide that the state's obligations will terminate immediately and
8 absolutely at such time as appropriated and that other funds encumbered for payment by
9 the state pursuant to the terms of such qualified interest rate management agreement are
10 no longer available to satisfy such obligations. The total obligation of the state for the
11 fiscal year payable pursuant to a qualified interest rate management agreement may be
12 stated in contingent but objective terms with respect to variable rate payments or
13 termination payments, but in that event a qualified interest rate management agreement
14 must provide that it will terminate immediately and absolutely at such time as
15 appropriated and that other funds encumbered for its payment are no longer available to
16 satisfy the obligations of the state under such agreement. A qualified interest rate
17 management agreement executed under this paragraph shall not be deemed to create a
18 debt of the state or otherwise obligate the payment of any sum beyond the fiscal year of
19 execution or, in the event of a renewal, beyond the fiscal year of such renewal. When a
20 qualified interest rate management agreement is executed under paragraph (2) of this
21 subsection, the obligation of the state may be treated as an operating expense of the
22 commission within the meaning of Paragraph VII of Section IV of Article VII of the
23 Constitution and within the meaning of paragraph (2) of subsection (g) of Code Section
24 50-17-22 and of subsection (b) of Code Section 50-17-27.

25 (e)(1) The obligations of a state party to pay a counterparty under a qualified interest rate
26 management agreement with respect to debt may be paid from any lawful source, to the
27 extent not otherwise prohibited, limited, or impractical and consistent with any tax
28 exempt status of the related debt or lease or installment purchase agreement and in
29 compliance with the Budget Act, including without limitation proceeds of general
30 obligation debt; earnings on investments of proceeds of general obligation debt;
31 appropriations of state and federal funds; agency funds; and, with respect to any state
32 authority, any funds of such state authority to the extent not otherwise prohibited, limited,
33 or impractical and consistent with any tax-exempt status of the related debt or lease or
34 installment purchase agreement.

35 (2) The obligations of a state party to pay a counterparty under a qualified interest rate
36 management agreement with respect to a lease or installment purchase contract may be
37 paid from any lawful source, to the extent not otherwise prohibited, limited, or

1 impractical and consistent with any tax-exempt status of the related debt or lease or
2 installment purchase agreement and in compliance with the Budget Act, including
3 without limitation appropriations of state and federal funds and agency funds.

4 (f)(1) With respect to obligations of a state authority to pay a counterparty, any qualified
5 interest rate management agreement of a state authority may provide that it is an
6 unconditional, limited recourse obligation of such state authority payable from a specified
7 revenue source.

8 (2) A state authority may, in any qualified interest rate management agreement that
9 constitutes a limited recourse obligation of the state authority, pledge to the punctual
10 payment of amounts due under the qualified interest rate management agreement
11 revenues from a specified revenue source, which shall not include any taxes, including
12 without limitation collateral derived from such revenue source or proceeds of the debt,
13 including debt for future delivery, to which such qualified interest rate management
14 agreement relates.

15 (3) A qualified interest rate management agreement that constitutes a limited recourse
16 obligation shall not be payable from or charged upon any funds other than the revenue
17 identified as the source of payment thereof, nor shall the state authority entering into the
18 same be subject to any pecuniary liability thereon. No counterparty under any such
19 qualified interest rate management agreement shall ever have the right to compel any
20 exercise of the taxing power of the state or the state authority to pay any amount due
21 under any such qualified interest rate management agreement, nor to enforce payment
22 thereof against any property of the state or state authority, other than the specified
23 revenue source; nor shall any such qualified interest rate management agreement
24 constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the
25 state or state authority, other than the specified revenue source. Every such qualified
26 interest rate management agreement shall contain a recital setting forth the substance of
27 this paragraph.

28 (g)(1) The commission shall act for the state with respect to debt of the state and a
29 qualified interest rate management agreement. However, upon authorization of the
30 Governor, the Office of Treasury and Fiscal Services shall act as fiscal agent or provide
31 other administrative services.

32 (2) A state authority shall act for itself with respect to an interest rate management plan,
33 a qualified interest rate management agreement, and an independent financial advisor
34 regarding the debt of the state authority subject, however, to the guidelines, rules, and
35 regulations of the commission under subsection (a) of this Code section. Further, the
36 interest rate management plan, a qualified interest rate management agreement, and
37 retention of an independent financial advisor will be treated as financial advisory matters

1 within the exclusive authority and jurisdiction of the commission under paragraph (1) of
2 subsection (f) of Code Section 50-17-22 and will require specific commission approval,
3 unless the commission otherwise directs in either the specific case or in general terms.
4 Upon authorization of the Governor, the Office of Treasury and Fiscal Services shall act
5 as fiscal agent or provide other administrative services for a qualified interest rate
6 management agreement of the state authority.

7 (3) The agency responsible for payment shall act for the state with respect to a lease or
8 installment purchase contract but only under the supervision and approval of the
9 commission. Upon authorization of the Governor, the Office of Treasury and Fiscal
10 Services shall act as fiscal agent or provide other administrative services.

11 50-17-102.

12 (a) Prior to executing and delivering a qualified interest rate management agreement, the
13 state party shall have adopted an interest rate management plan that includes:

14 (1) An analysis of the interest rate risk, basis risk, termination risk, credit risk,
15 market-access risk, and other risks to the state party entering into qualified interest rate
16 management agreements;

17 (2) The state party's procedure for approving and executing qualified interest rate
18 management agreements;

19 (3) The state party's plan to monitor interest rate risk, basis risk, termination risk, credit
20 risk, market-access risk, and other risks; and

21 (4) Such other provisions as may from time to time be required by the commission,
22 including but not limited to additional provisions due to changes in market conditions for
23 qualified interest rate management agreements.

24 Any interest rate management plan adopted by the state shall be approved by the
25 commission or by a designated officer of the commission and shall have been reviewed by
26 an independent financial adviser approved by the commission.

27 (b) The state party shall conduct an annual review of its interest rate management plan as
28 to the adequacy of the procedures set forth in such plan for the analysis and monitoring
29 requirements set forth in subsection (a) of this Code section. A report summarizing the
30 results of such review shall be submitted annually to the commission and, with respect to
31 any interest rate management plan of a state authority, to the governing body of such state
32 authority. The requirements of this subsection shall not be construed as to require the
33 review of any existing interest rate management plan by an independent financial adviser.

1 50-17-103.

2 (a) Each qualified interest rate management agreement shall meet the following
3 requirements:

4 (1) Subject to subsection (b) of this Code section, the maximum term, including any
5 renewal periods, of any qualified interest rate management agreement by the state may
6 not exceed ten years unless such longer term has been approved by the commission or by
7 the governing body of the state authority for any qualified interest rate management
8 agreement executed by a state authority; provided, however, that in no case may the term
9 of the qualified interest rate management agreement exceed the latest maturity date of the
10 bonds, notes, or debt referenced in the qualified interest rate management agreement.

11 (2) The state party shall enter into a qualified interest rate management agreement only
12 with a counterparty meeting the requirements set forth in paragraph (2) of Code Section
13 50-17-100.

14 (3) Prior to the execution and delivery by the state of any qualified interest rate
15 management agreement, an interest rate management plan meeting the requirements of
16 Code Section 50-17-102 must have been submitted to the commission and the
17 commission shall have been provided evidence that such qualified interest rate
18 management agreement is in compliance with the existing interest rate management plan.
19 Prior to the execution and delivery by a state authority of any qualified interest rate
20 management agreement, an interest rate management plan meeting the requirements of
21 Code Section 50-17-102 must have been submitted to the governing body of the state
22 authority and the governing body of the state authority shall have been provided evidence
23 that such qualified interest rate management agreement is in compliance with the existing
24 interest rate management plan.

25 (4) Any qualified interest rate management agreement shall be payable only in the
26 currency of the United States of America.

27 (5) Unless otherwise approved in writing by the commission or by the governing body
28 of the state authority, as applicable, for any qualified interest rate management agreement
29 executed, the notional amount of any qualified interest rate management agreement shall
30 not exceed the outstanding principal amount of the debt to which such agreement relates.

31 (b) Any state party may enter into credit enhancement or liquidity agreements in
32 connection with any qualified interest rate management agreement containing such terms
33 and conditions as the state party determines are necessary or desirable, provided that any
34 such agreement has the same source of payment as the related qualified interest rate
35 management agreement.

1 50-17-104.

2 The state party that has entered into a qualified interest rate management agreement shall
3 include in its annual financial statements information with respect to each qualified interest
4 rate management agreement it has authorized or entered into, including any information
5 required by any accounting or regulatory standard to which the state party is subject.

6 50-17-105.

7 When entering into any qualified interest rate management agreement authorized under this
8 article, the agreement shall be governed by the laws of the State of Georgia, and
9 jurisdiction over the state party in any matter concerning a qualified interest rate
10 management agreement shall lie exclusively in the courts of the State of Georgia or in the
11 applicable federal court having jurisdiction and located within the State of Georgia."

12 **SECTION 3.**

13 Said title is further amended by striking paragraph (2) of subsection (g) of Code Section
14 50-17-22, relating to the Georgia State Financing and Investment Commission, and inserting
15 in its place a new paragraph (2) to read as follows:

16 "(2) The executive secretary shall prepare, under the direction and supervision of the
17 commission, any budgets, requests, estimates, records, or other documents deemed
18 necessary or efficient for compliance with Part 1 of Article 4 of Chapter 12 of Title 45,
19 the 'Budget Act,' to provide for the payment of personnel services and administration and
20 otherwise carry out this article, ~~provided that it is expressly declared by the General~~
21 ~~Assembly that this subsection is only intended to provide that the.~~ The commission shall
22 may but need not receive an appropriation for personnel, and administrative services, and
23 other operating expenses of the commission. The commission may but need not receive
24 an appropriation for the costs of issuance, validation, and delivery of obligations to be
25 incurred, including, but not limited to, trustee's fees, paying agent fees, printing fees,
26 bond counsel fees, district attorney fees, clerk of the superior court fees, architect fees,
27 and engineering fees, which costs and fees are dependent on the principal amount of the
28 obligations incurred and are determined to be appropriate costs of the project or projects
29 for which such obligations are incurred and are authorized to be paid from bond proceeds.
30 The commission may but need not receive an appropriation for expenditures made for
31 fees and expenses incurred in safeguarding and protecting public health, life, and property
32 in connection with projects for which general obligation debt has been incurred."

1 **SECTION 4.**

2 This Act shall become effective upon its approval by the Governor or upon its becoming law
3 without such approval.

4 **SECTION 5.**

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