

The Senate Finance Committee offered the following substitute to SB 250:

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 3 of Title 20 of the Official Code of Georgia Annotated, relating to
2 postsecondary education, so as to extensively revise Article 5 of the chapter, the "Georgia
3 Education Authority (University) Act"; to change the definition of certain terms used in the
4 Act and thereby affect the scope of activities of the authority; to authorize the authority to
5 carry out projects related to the State Board of Technical and Adult Education and
6 institutions under its control as well as projects related to the Board of Regents of the
7 University System of Georgia and institutions under its control; to change provisions relating
8 to the membership, staff, and administrative assignment of the authority; to change
9 provisions relating to contracts, leases, bonds, projects, and operations of the authority; to
10 provide for approval of issuance of bonds and other matters by the Georgia State Financing
11 and Investment Commission; to provide that the authority shall be the only entity authorized
12 to engage in long-term leases to the boards mentioned above and their institutions and the
13 only entity authorized to engage in long-term financing of revenue-producing facilities for
14 the boards mentioned above and their institutions; to provide for other related matters; to
15 provide an effective date; to repeal conflicting laws; and for other purposes.

16 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

17 **SECTION 1.**

18 Chapter 3 of Title 20 of the Official Code of Georgia Annotated, relating to postsecondary
19 education, is amended by striking Article 5 of the chapter and inserting in its place a new
20 article to read as follows:

21 "ARTICLE 5

22 20-3-150.

23 This article shall be known and may be cited as the 'Georgia Education Authority
24 (University) Act.'

1 20-3-151.

2 (a) As used in this article, the term:

3 (1) 'Authority' means the Georgia Education Authority (University), which was formerly
4 known as the University System Building Authority. Such change in name of the
5 authority shall in no way affect the identity of the authority or the rights, powers,
6 privileges, or liabilities of the authority or any person under this article.

7 (2) 'Bonds' or 'revenue bonds' means any bonds, revenue bonds, notes, interim
8 certificates, or bond or revenue anticipation notes issued by the authority under this
9 article, including refunding bonds.

10 (3) 'Cost of the project' means the cost of construction; the cost of all lands, properties,
11 rights, easements, and franchises acquired; the cost of all machinery and equipment;
12 financing charges; interest prior to and during construction or renovation and for one year
13 after completion of construction or renovation; cost of engineering; architectural and
14 legal expenses; cost of plans and specifications and other expenses necessary or incident
15 to determining the feasibility or practicability of the project; administrative expense;
16 expenses of insurance; and such other expenses as may be necessary or incident to the
17 financing authorized in this article; the construction or renovation of any project, the
18 placing of it in operation, and the condemnation of property necessary for such
19 construction or renovation and operation. Any obligation or expense incurred for any of
20 the foregoing purposes shall be regarded as a part of the cost of the project and may be
21 paid or reimbursed as such out of the proceeds of revenue bonds issued under this article
22 for such project.

23 (4) 'Project' means one or a combination of two or more of the following or any
24 equipment therefor: ~~housing accommodations, buildings and facilities intended for use~~
25 ~~as classrooms, laboratories, libraries, dormitories, and instructional, administrative, and~~
26 ~~recreational facilities~~ instructional facilities (including classrooms, laboratories, research
27 facilities, and libraries), student housing facilities, administrative facilities, student dining
28 and recreational facilities, and parking facilities for students, faculty, officers, and
29 employees of any institution or unit under the control of the board of regents or the State
30 Board of Technical and Adult Education; and all structures, electric, gas, steam, and
31 water utilities, and facilities of every kind and character deemed by the authority
32 necessary or convenient for the efficient operation of any unit which is a part of the
33 ~~university system~~ University System of Georgia or of any institution under the control
34 of the State Board of Technical and Adult Education.

35 (5) 'Unit' means any institution, school, academy, university, or experiment station at any
36 particular location which forms a part of the university system or is under the control of
37 the State Board of Technical and Adult Education.

1 (b) Any project or combination of projects shall be deemed 'self-liquidating,' if, in the
 2 judgment of the authority, the revenues, rents, or earnings to be derived by the authority
 3 therefrom will be sufficient to pay the cost of maintaining, repairing, and operating the
 4 project and to pay the principal and interest of revenue bonds which may be issued for the
 5 cost of such project, projects, or combination of projects.

6 20-3-152.

7 (a) There is created a body corporate and politic to be known as the Georgia Education
 8 Authority (University), which shall be deemed to be an instrumentality of this state and a
 9 public corporation; and by that name, style, and title said body may contract and be
 10 contracted with, bring and defend actions, and implead and be impleaded. The authority
 11 shall consist of ~~six~~ five members, as follows: three appointees of the Governor one of
 12 whom shall be a member of the board of regents, ~~an appointee of the Governor who is not~~
 13 ~~the Attorney General, the state auditor, the chairman of the board of regents, the director~~
 14 ~~of the Office of Planning and Budget, and the chancellor of the university system~~ one
 15 appointee of the Senate Committee on Assignments, and one appointee of the Speaker of
 16 the House.

17 (b) The authority shall elect one of its members as ~~chairman~~ chairperson and another as
 18 ~~vice-chairman~~ vice chairperson and a secretary and treasurer, ~~who need not necessarily be~~
 19 ~~a member of the authority but who shall be the same as the secretary and treasurer of the~~
 20 ~~Georgia Education Authority (Schools).~~ The majority of the members of the authority shall
 21 constitute a quorum. No vacancy on the authority shall impair the right of the quorum to
 22 exercise all the rights and perform all the duties of the authority. The members of the
 23 authority shall not be entitled to compensation for their services but shall be entitled to and
 24 shall be reimbursed for their actual expenses necessarily incurred in the performance of
 25 their duties. ~~The staff of the authority shall be the same as the staff of the Georgia~~
 26 ~~Education Authority (Schools).~~ The authority shall make rules and regulations for its own
 27 government. It shall have perpetual existence. Any change in name or composition of the
 28 authority shall in no way affect the vested rights of any person under the provisions of this
 29 article or impair the obligations of any contracts existing under this article.

30 (c) The authority may hire staff or may have staff assigned from within the University
 31 System of Georgia for the purposes of carrying out the duties and responsibilities contained
 32 in this article with compensation paid from resources available to the authority or the Board
 33 of Regents of the University System of Georgia or the State Board of Technical and Adult
 34 Education.

35 (d) The authority is assigned to the ~~Department of Administrative Services~~ office of the
 36 Governor for administrative purposes only as prescribed in Code Section 50-4-3.

1 20-3-153.

2 The authority shall have powers:

3 (1) To have a seal and alter it at pleasure;

4 (2) To acquire by purchase, lease, or otherwise and to hold, lease, and dispose of real and
5 personal property of every kind and character for its corporate purposes;

6 (3) To acquire in its own name by purchase, on such terms and conditions, and in such
7 manner as it may deem proper, or by condemnation in accordance with any and all
8 existing laws applicable to the condemnation of property for public use, real property or
9 rights of easements therein or franchises necessary or convenient for its corporate
10 purposes and to use them so long as its corporate existence shall continue and to lease or
11 make contracts with respect to the use of or dispose of them in any manner it deems to
12 the best advantage of the authority, the authority being under no obligation to accept and
13 pay for any property condemned under this article except from the funds provided under
14 the authority of this article; and in any proceedings to condemn, such orders may be made
15 by the court having jurisdiction of the action or proceeding as may be just to the authority
16 and to the owners of the property to be condemned; and no property shall be acquired
17 under this article upon which any lien or other encumbrance exists unless at the time such
18 property is so acquired a sufficient sum of money is deposited in trust to pay and redeem
19 the fair value of such lien or encumbrance; and if the authority shall deem it expedient
20 to construct any project on lands which are a part of the campus, grounds, or other real
21 estate holdings of a member unit of the university system or under the control of the State
22 Board of Technical and Adult Education, the Governor is and the board of regents or the
23 State Board of Technical and Adult Education, as may be applicable, are authorized to
24 execute for and on behalf of the state a lease upon such lands to the authority for such
25 parcel or parcels as shall be needed for a period not to exceed ~~50~~ 25 years; and if the
26 authority shall deem it expedient to construct any project on any other lands the title to
27 which shall then be in this state, the Governor is authorized to convey, for and in behalf
28 of the state, title to such lands to the authority upon payment into the state treasury ~~for the~~
29 ~~credit of the sinking fund of the state~~ of the reasonable value of such lands and upon
30 satisfaction of any general bond indebtedness incurred for such property, such value to
31 be determined by three appraisers to be agreed upon by the Governor and the ~~chairman~~
32 chairperson of the authority. At the conclusion of the lease period and the full payment
33 of all amounts due to the authority as described in this article, ownership of leased
34 property and improvements thereon made through projects financed by the authority shall
35 be transferred to the Board of Regents of the University System of Georgia or the State
36 Board of Technical and Adult Education, as may be applicable;

1 (4) To appoint and select officers, agents, and employees and to fix their compensation,
2 subject to compliance with the state-wide travel regulations; and to appoint and select
3 professional services providers subject to approval by the Georgia State Financing and
4 Investment Commission, including engineering, architectural, and construction experts,
5 fiscal agents, and attorneys, and to fix their compensation subject to approval by the
6 Georgia State Financing and Investment Commission;

7 (5) To make contracts and leases and to execute all instruments necessary or convenient,
8 including contracts for construction or renovation of projects and leases of projects or
9 contracts with respect to the use of projects which the authority causes to be erected or
10 acquired; and any and all political subdivisions, departments, institutions, or agencies of
11 the state are authorized to enter into contracts, leases, or agreements with the authority
12 upon such terms and for such purposes as they deem advisable; and without limiting the
13 generality of the above, authority is specifically granted to the board of regents or the
14 State Board of Technical and Adult Education, as may be applicable, for and on behalf
15 of the units and institutions under its their control and to the authority to enter into
16 contracts and lease agreements for the use of any structure, building, or facilities or a
17 combination of any two or more structures, buildings, or facilities of the authority for a
18 term not exceeding ~~50~~ 25 years; and the appropriate board, for and on behalf of any unit
19 or institution or combination of units or institutions, may obligate itself to pay an agreed
20 sum for the use of such property so leased and also to obligate itself as part of the lease
21 contract to pay the cost of maintaining, repairing, insuring, and operating the property so
22 leased from the authority;

23 (6) To construct, erect, acquire, own, repair, remodel, maintain, add to, extend, improve,
24 equip, operate, and manage projects, as defined in Code Section 20-3-151, to be located
25 on property owned by or leased by the authority, the cost of any such project to be paid
26 in whole or in part from the proceeds of revenue bonds of the authority or from such
27 proceeds and any grant from the United States or any agency or instrumentality thereof;

28 (7) To accept loans or grants of money or materials or property of any kind from the
29 United States or any agency or instrumentality thereof upon such terms and conditions
30 as the United States or such agency or instrumentality may impose;

31 (8) To borrow money for any of its corporate purposes and to issue negotiable revenue
32 bonds payable solely from funds pledged for that purpose and to provide for the payment
33 of such bonds and for the rights of the holders thereof;

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

36 (10) To do all things necessary or convenient to carry out the powers expressly given in
37 this article.

1 20-3-154.

2 (a) Subject to approval by the Georgia State Financing and Investment Commission, the
 3 ~~The~~ authority or any authority or body which has or which may in the future succeed to the
 4 powers, duties, and liabilities vested in the authority created by this article shall have power
 5 at one time or from time to time to provide by resolution for the issuance of negotiable
 6 revenue bonds of the authority for the purpose of paying all or any part of the cost, as
 7 defined in this article, of any one project or combination of projects. The principal and
 8 interest of such revenue bonds shall be payable solely from the special fund provided in
 9 this article for such payment. The bonds of each issue shall be dated; shall bear interest at
 10 such rate or rates as may be determined by the authority, payable semiannually; shall
 11 mature at such time or times not exceeding 30 25 years from their date or dates, ~~except that~~
 12 ~~'Georgia Education Authority (University) Student Housing Revenue Bonds'~~ may mature
 13 ~~at such time or times not exceeding 40 years from their date or dates;~~ shall be payable in
 14 such medium of payment as to both principal and interest as may be determined by the
 15 authority; and may be made redeemable before maturity, at the option of the authority, at
 16 such price or prices and under such terms and conditions as may be fixed by the authority
 17 in the resolution providing for the issuance of the bonds.

18 (b)(1) Bonds may be issued by the authority for those projects that first have been
 19 approved by the board of regents as being consistent with the institution's mission and
 20 facilities master plan or that have been approved by the State Board of Technical and
 21 Adult Education, as may be applicable.

22 (2) Prior to the sale of any bonds, the authority and the Georgia State Financing and
 23 Investment Commission must ascertain that the project or projects to be funded are
 24 self-liquidating as defined in Code Section 20-3-151. The authority must further
 25 implement procedures to ensure the credit worthiness of any project for which bonds are
 26 issued. This procedure may include an independent fiscal analysis by an organization of
 27 national reputation.

28 20-3-155.

29 The authority shall determine the form of the bonds, including any interest coupons to be
 30 attached thereto, and shall fix the denomination or denominations of the bonds and the
 31 place or places of payment of principal and interest thereof, which may be at any bank or
 32 trust company ~~within~~ inside or outside the state. The bonds may be issued in coupon or
 33 registered form, or both, as the authority may determine; and provision may be made for
 34 the registration of any coupon bond as to principal alone and also as to both principal and
 35 interest.

1 20-3-156.

2 In case any officer whose signature shall appear on any bonds or whose facsimile signature
3 shall appear on any coupon shall cease to be such officer before the delivery of such bonds,
4 such signature shall nevertheless be valid and sufficient for all purposes, the same as if he
5 or she had remained in office until such delivery. All such bonds shall be signed by the
6 ~~chairman~~ chairperson of the authority, and the official seal of the authority shall be affixed
7 thereto and attested by the secretary of the authority; and any coupons attached thereto
8 shall bear the signature or facsimile signature of the ~~chairman~~ chairperson of the authority.
9 Any coupon may bear the facsimile signature of such person, and any bond may be signed,
10 sealed, and attested on behalf of the authority by such persons as at the actual time of the
11 execution of such bonds shall be duly authorized or hold the proper office, although at the
12 date of such bonds such persons may not have been so authorized or shall not have held
13 such office.

14 20-3-157.

15 All revenue bonds issued under this article shall have all the qualities and incidents of
16 negotiable instruments under Article 8 of Title 11. Such bonds and the income thereof shall
17 be exempt from all taxation within the state.

18 20-3-158.

19 The authority may sell its bonds in such manner and for such price as it may determine to
20 be for the best interests of the authority. Whenever the authority shall determine to issue
21 its bonds, it shall ~~call upon~~ request the Georgia ~~Building Authority to render advice and to~~
22 ~~perform, as its agent, ministerial services for the authority in connection with the marketing~~
23 ~~of such bonds~~ State Financing and Investment Commission to approve the bonds and carry
24 out other services for the authority as provided by this article and Article 2 of Chapter 17
25 of Title 50.

26 20-3-159.

27 The proceeds of revenue bonds issued under this article shall be used solely for the
28 payment of the cost of the project or combined project and shall be disbursed upon
29 requisition or order of the ~~chairman~~ chairperson of the authority under such restrictions, if
30 any, as the resolution authorizing the issuance of the bonds or the trust indenture mentioned
31 in Code Section 20-3-164 may provide. Pending such disbursement, bond proceeds shall
32 be held in trust by the Georgia State Financing and Investment Commission and disbursed
33 promptly by the commission in accordance with the original purpose. If the proceeds of
34 such bonds, by error of calculation or otherwise, shall be less than the cost of the project

1 or combined project, unless otherwise provided in the resolution authorizing the issuance
2 of the bonds or in the trust indenture, additional bonds may in like manner be issued to
3 cover the amount of such deficit. Unless otherwise provided in the resolution authorizing
4 the issuance of the bonds or in the trust indenture, such additional bonds shall be deemed
5 to be of the same issue and shall be entitled to payment from the same fund, without
6 preference or priority, as the bonds first issued for the same purpose. If the proceeds of the
7 bonds of any issue shall exceed the amount required for the purpose for which such bonds
8 are issued, the surplus shall be paid into the fund provided in Code Section 20-3-166 for
9 the payment of principal and interest of such bonds.

10 20-3-160.

11 Prior to the preparation of definitive bonds, the authority may, under like restrictions, issue
12 interim receipts, interim certificates, or temporary bonds, with or without coupons,
13 exchangeable for definitive bonds upon the issuance of the latter.

14 20-3-161.

15 The authority may also provide for the replacement of any bond which shall become
16 mutilated or be destroyed or lost.

17 20-3-162.

18 Revenue bonds may be issued without any other proceedings or the happening or any other
19 conditions or things than those proceedings, conditions, and things which are specified or
20 required by this article. In the discretion of the authority, revenue bonds of a single issue
21 may be issued for the purpose of paying the cost of any one or more, including a
22 combination of, projects at any one institution or any number of institutions. Any resolution
23 providing for the issuance of revenue bonds under this article shall become effective
24 immediately upon its passage and need not be published or posted. Any such resolution
25 may be passed at any regular or special or adjourned meeting of the authority by a majority
26 of its members.

27 20-3-163.

28 Revenue bonds issued under this article shall not be deemed to constitute a debt of the state
29 or a pledge of the faith and credit of the state, but such bonds shall be payable solely from
30 the fund provided for in Code Section 20-3-166; and the issuance of such revenue bonds
31 shall not directly, indirectly, or contingently obligate the state to levy or to pledge any form
32 of taxation whatever therefor or to make any appropriation for their payment; and all such
33 bonds shall contain recitals on their face covering substantially the foregoing provisions

1 of this Code section; provided, however, such funds as may be received from state
2 appropriations or from any other source are declared to be available and may be used by
3 the board of regents for the performance of any lease contract entered into by the board.

4 20-3-164.

5 In the discretion of the authority, any issue of revenue bonds may be secured by a trust
6 indenture by and between the authority and a corporate trustee, which may be any trust
7 company or bank having the powers of a trust company ~~within~~ inside or outside of the
8 state. Such trust indenture may pledge or assign rents, revenues, and earnings to be
9 received by the authority. Either the resolution providing for the issuance of revenue bonds
10 or such trust indenture may contain such provisions for protecting and enforcing the rights
11 and remedies of the bondholders as may be reasonable and proper and not in violation of
12 law, including covenants setting forth the duties of the authority in relation to the
13 acquisition of property; the construction of the project; the maintenance, operation, repair,
14 and insurance of the project; and the custody, safeguarding, and application of all moneys;
15 may also provide that any project shall be constructed and paid for under the supervision
16 and approval of consulting engineers or architects employed or designated by the authority
17 and satisfactory to the original purchasers of the bonds issued therefor; may also require
18 that the security given by contractors and by any depositary of the proceeds of the bonds
19 or revenues or other moneys be satisfactory to such purchasers; and may also contain
20 provisions concerning the conditions, if any, upon which additional revenue bonds may be
21 issued. It shall be lawful for any bank or trust company incorporated under the laws of this
22 state to act as such depositary and to furnish such indemnifying bonds or pledge such
23 securities as may be required by the authority. Such indenture may set forth the rights and
24 remedies of the bondholders and of the trustee and may restrict the individual right of
25 action of bondholders as is customary in trust indentures securing bonds and debentures
26 of corporations. In addition to the foregoing, such trust indenture may contain such other
27 provisions as the authority may deem reasonable and proper for the security of the
28 bondholders. All expenses incurred in carrying out such trust indenture may be treated as
29 a part of the cost of maintenance, operation, and repair of the project affected by such
30 indenture.

31 20-3-165.

32 The authority shall in the resolution providing for the issuance of revenue bonds or in the
33 trust indenture provide for the payment of the proceeds of the sale of the bonds to any
34 officer or person who, or any agency, bank, or trust company which, shall act as trustee of

1 such funds and shall hold and apply them to the purposes of this article, subject to such
2 regulations as this article and such resolution or trust indenture may provide.

3 20-3-166.

4 The revenues, rents, and earnings derived from any particular project or combined project
5 ~~or any and all funds from any source received by the board of regents and pledged and~~
6 ~~allocated by it to the authority as security for the performance of any lease or leases or any~~
7 and all revenues, rents, and earnings received by the authority, regardless of whether or not
8 such rents, earnings, and revenues were produced by a particular project for which bonds
9 have been issued, unless otherwise pledged and allocated, may be pledged and allocated
10 by the authority to the payment of the principal and interest on revenue bonds of the
11 authority as the resolution authorizing the issuance of the bonds or the trust instrument may
12 provide; and such funds so pledged from whatever source received, which pledge may
13 include funds received from one or more or all sources, shall be set aside at regular
14 intervals as may be provided in the resolution or trust indenture into a sinking fund which
15 shall be pledged to and charged with the payment of:

16 (1) The interest upon such revenue bonds as such interest shall fall due;

17 (2) The principal of the bonds as the same shall fall due;

18 (3) The necessary charges of paying agents for paying principal and interest; and

19 (4) Any premium upon bonds retired by call or purchase as provided in Code Section
20 20-3-154.

21 The use and disposition of such sinking funds shall be subject to such regulations as may
22 be provided in the resolution authorizing the issuance of the revenue bonds or in the trust
23 indenture, but, except as may otherwise be provided in such resolution or trust indenture,
24 such sinking fund shall be a fund for the benefit of all revenue bonds without distinction
25 or priority of one over another. Subject to the provisions of the resolution authorizing the
26 issuance of the bonds or in the trust indenture, surplus moneys in the sinking fund may be
27 applied to the purchase or redemption of bonds; and any such bonds so purchased or
28 redeemed shall forthwith be canceled and shall not again be issued.

29 20-3-167.

30 Any holder of revenue bonds or interest coupons issued under this article, any receiver for
31 such holders, or indenture trustee, if any, except to the extent the rights given in this Code
32 section may be restricted by resolution passed before the issuance of the bonds or by the
33 trust indenture, may by action, mandamus, or other proceedings protect and enforce any
34 and all rights under the laws of this state or granted under this article or under such
35 resolution or trust indenture and may enforce and compel performance of all duties

1 required by this article or by resolution or trust indenture to be performed by the authority
 2 or any officer thereof, including the fixing, charging, and collecting of revenues, rents, and
 3 other charges for the use of the project or projects, and, in the event of default of the
 4 authority upon the principal and interest obligations of any revenue bond issue, shall be
 5 subrogated to each and every right, specifically including the contract rights of collecting
 6 rental, which the authority may possess, against the board of regents or the State Board of
 7 Technical and Adult Education or other contracting or leasing department, agency, or
 8 institution of the state. In the pursuit of his or her or its remedies as subrogee, such
 9 individual, receiver, or trustee may proceed by action, mandamus, or other proceedings to
 10 collect any sums by such proceedings due and owing to the authority ~~and pledged or~~
 11 ~~partially pledged directly or indirectly to the benefit of the revenue bond issue of which~~
 12 ~~such individual, receiver, or trustee is representative.~~ No holder of any such bond or
 13 receiver or indenture trustee thereof shall have the right to compel any exercise of the
 14 taxing power of the state to pay any such bond or the interest thereon or to enforce the
 15 payment thereof against any property of the state; nor shall any such bond constitute a
 16 charge, lien, or encumbrance, legal or equitable, upon the property of the state; ~~provided,~~
 17 ~~however, any provision of this article or any other Act to the contrary notwithstanding, any~~
 18 ~~such bondholder or receiver or indenture trustee shall have the right by appropriate legal~~
 19 ~~or equitable proceedings, including, without being limited to, mandamus, to enforce~~
 20 ~~compliance by the appropriate public officials with Article VII, Section IV, Paragraph III~~
 21 ~~of the Constitution of Georgia; and permission is given for the institution of any such~~
 22 ~~proceedings to compel the payment of lease obligations.~~

23 20-3-168.

24 The authority is authorized to provide by resolution for the issue of revenue refunding
 25 bonds of the authority for the purpose of refunding any revenue bonds issued under this
 26 article and then outstanding, together with accrued interest thereon. The issuance of such
 27 revenue refunding bonds, the maturities and all other details thereof, the rights of the
 28 holders thereof, and the duties of the authority in respect to such bonds shall be governed
 29 by Code Sections 20-3-151 through 20-3-167 insofar as they may be applicable.

30 20-3-169.

31 The bonds authorized in this article are made securities in which all public officers and
 32 bodies of this state and all municipalities and all municipal subdivisions; all insurance
 33 companies and associations and other persons carrying on an insurance business; all banks,
 34 bankers, trust companies, savings banks, and savings associations, including savings and
 35 loan associations, building and loan associations, investment companies, and other persons

1 carrying on a banking business; all administrators, guardians, executors, trustees, and other
2 fiduciaries; and all other persons whatsoever who are now or may hereafter be authorized
3 to invest in bonds or other obligations of the state may properly and legally invest funds
4 including capital in their control or belonging to them. The bonds are also made securities
5 which may be deposited with and shall be received by all public officers and bodies of this
6 state and all municipalities and municipal subdivisions for any purpose for which the
7 deposit of the bonds or other obligations of this state is authorized.

8 20-3-170.

9 The creation of the authority and the carrying out of its corporate purpose is in all respects
10 for the benefit of the people of this state and is a public purpose, and the authority will be
11 performing an essential governmental function in the exercise of the power conferred upon
12 it by this article; and this state covenants with the holders of the bonds that the authority
13 shall be required to pay no taxes or assessments upon any of the property acquired or
14 leased by it or under its jurisdiction, control, possession, or supervision or upon its
15 activities in the operation or maintenance of the buildings erected or acquired by it or any
16 fees, rentals, or other charges for the use of such buildings or other income received by the
17 authority, and that the bonds of the authority, their transfer, and the income therefrom shall
18 at all times be exempt from taxation within the state.

19 20-3-171.

20 Bonds of the authority shall be confirmed and validated in accordance with the procedure
21 of Article 3 of Chapter 82 of Title 36. The petition for validation shall also make party
22 defendant to such action any authority, subdivision, instrumentality, or agency of the state
23 which has contracted with the authority for the use of any building, structure, or facilities
24 for which bonds have been issued and sought to be validated; and such other authority,
25 subdivision, instrumentality, or agency shall be required to show cause, if any, why such
26 contract or contracts and the terms and conditions thereof should not be inquired into by
27 the court, the validity of the terms thereof determined, and the contract adjudicated as
28 security for the payment of any such bonds of the authority. The bonds, when validated,
29 and the judgment of validation with respect to such bonds shall be final and conclusive
30 against the authority issuing them and against any other authority, subdivision,
31 instrumentality, or agency contracting with the authority.

1 20-3-172.

2 Any action to protect or enforce any rights under this article shall be brought in the
3 Superior Court of Fulton County; and any action pertaining to validation of any bonds
4 issued under this article shall likewise be brought in such court, which shall have exclusive,
5 original jurisdiction of such actions.

6 20-3-173.

7 While any of the bonds issued by the authority remain outstanding, the power, duties, or
8 existence of the authority or of its officers, employees, or agents or ~~of the board of regents~~
9 ~~or~~ of any other state institution, agency, or department shall not be diminished or impaired
10 in any manner that will affect adversely the interests and rights of the holders of such
11 bonds; and no other entity, department, agency, or authority will be created which will
12 compete with the authority to such an extent as to affect adversely the interests and rights
13 of the holders of such bonds; nor will the state itself so compete with the authority. This
14 article shall be for the benefit of the state, the authority, and the holders of any such bonds
15 and, upon the issuance of bonds under this article, shall constitute a contract with the
16 holders of such bonds.

17 20-3-174.

18 The authority, in addition to the moneys which may be received from the sale of revenue
19 bonds and from the collection of revenues, rents, and earnings derived under this article,
20 shall have authority to accept from any federal agency grants for or in aid of the
21 construction or renovation of any project or for the payment of bonds and to receive and
22 accept contributions from any source of either money or property or other things of value
23 to be held, used, and applied only for the purposes for which such grants or contributions
24 may be made.

25 20-3-175.

26 All moneys received pursuant to the authority of this article, whether as proceeds from the
27 sale of revenue bonds; as grants or other contributions; or as revenues, rents, and earnings,
28 shall be deemed to be trust funds to be held and applied solely as provided in this article.

29 20-3-176.

30 (a) The authority is authorized to fix rentals and other charges ~~which the board of regents~~
31 ~~shall pay to the authority~~ for the use of each project or part thereof or combination of
32 projects, to charge and collect them, and to lease and make contracts with ~~political~~
33 ~~subdivisions and agencies and with the board~~ not for profit corporations or foundations

1 with respect to the use ~~by any institution or unit under its control~~ of any project or part
 2 thereof. Such rentals and other charges shall be so fixed and adjusted in respect to the
 3 aggregate thereof from the project or projects for which a single issue of revenue bonds is
 4 issued as to provide a fund sufficient with other revenues of such project or projects, if any,
 5 to pay:

6 (1) The cost of maintaining, repairing, and operating the project or projects, including
 7 reserves for extraordinary repairs and insurance and other reserves required by the
 8 resolution or trust indentures, unless such cost shall be otherwise provided for, which cost
 9 shall be deemed to include the expenses incurred by the authority on account of the
 10 project or projects for water, light, sewer, and other services furnished by other facilities
 11 at such institution; and

12 (2) The principal of the revenue bonds and the interest thereon as they shall become due.

13 ~~(b) The rentals contracted to be paid by the board or other leasing department, agency, or~~
 14 ~~institution of the state to the authority under leases entered upon pursuant to this article~~
 15 ~~shall constitute obligations of the state for the payment of which the good faith of the state~~
 16 ~~is pledged. Such rentals shall be paid as provided in the lease contracts from funds~~
 17 ~~appropriated for such purposes by the terms of the Constitution of Georgia. It shall be the~~
 18 ~~duty of the board or other leasing department, agency, or institution of the state to see to~~
 19 ~~the punctual payment of all such rentals.~~

20 ~~(e)~~(b) In the event of any failure or refusal on the part of lessees punctually to perform any
 21 covenant or obligation contained in any lease entered upon pursuant to this article, the
 22 authority may enforce performance by any legal or equitable process against lessees; and
 23 consent is given for the institution of any such action.

24 ~~(d)~~(c) The authority shall be permitted to assign any rental due it by the lessees to a trustee
 25 or paying agent as may be required by the terms of any trust indenture entered into by the
 26 authority.

27 20-3-177.

28 It shall be the duty of the authority to prescribe rules and regulations for the operation of
 29 each project or combination of projects constructed under this article, including rules and
 30 regulations to ensure maximum use or occupancy of each such project.

31 20-3-178.

32 The accounts of the authority created in this article shall be kept as separate and distinct
 33 accounts ~~by the treasurer of the board of regents~~ and shall be subject to audit by the
 34 Department of Audits and Accounts.

1 20-3-179.

2 ~~This article does not in any way take from the board of regents the authority to issue~~
3 ~~revenue bonds for a particular purpose. The authority shall make a detailed annual report~~
4 ~~of its operations and finances to the Governor, the General Assembly, and the Georgia~~
5 ~~State Financing and Investment Commission. The report shall specifically include:~~

6 (1) A description of the type, location, and value of all property owned by or leased to
7 the authority; and

8 (2) A description of the type and amount of all ongoing and renewable financial
9 obligations of the authority and all ongoing and renewable financial obligations owed to
10 the authority.

11 20-3-180.

12 ~~This article shall be deemed to provide an additional and alternative method for the doing~~
13 ~~of the things authorized thereby, shall be regarded as supplemental and additional to~~
14 ~~powers conferred by other laws, and shall not be regarded as in derogation of any powers~~
15 ~~now existing. (a) The authority shall be the sole entity authorized to engage in the~~
16 ~~long-term leasing of real property to the University System of Georgia and its units and the~~
17 ~~sole entity authorized to engage in the long-term financing of revenue-producing facilities~~
18 ~~for the university system and its units. Should any other entity, public or private, enter into~~
19 ~~a long-term lease of real property to the University System of Georgia or any of its units~~
20 ~~other than through the authority, any purported obligations of the state or the university~~
21 ~~system under such lease shall constitute an unauthorized debt of the state and shall be~~
22 ~~invalid. Should any other entity, public or private, enter into any agreement for the~~
23 ~~long-term financing of revenue-producing facilities for the university system or any of its~~
24 ~~units other than through the authority, any purported obligations of the state or university~~
25 ~~system under such agreement shall constitute an unauthorized debt of the state and shall~~
26 ~~be invalid.~~

27 (b) The authority shall be the sole entity authorized to engage in the long-term leasing of
28 real property to the State Board of Technical and Adult Education or institutions under the
29 control of that board and the sole entity authorized to engage in the long-term financing of
30 revenue-producing facilities for the State Board of Technical and Adult Education or
31 institutions under its control. Should any other entity, public or private, enter into a
32 long-term lease of real property to the State Board of Technical and Adult Education or any
33 institution under its control other than through the authority, any purported obligations of
34 the state under such lease shall constitute an unauthorized debt of the state and shall be
35 invalid. Should any other entity, public or private, enter into any agreement for the
36 long-term financing of revenue-producing facilities for the State Board of Technical and

1 Adult Education or any institution under its control other than through the authority, any
2 purported obligations of the state under such agreement shall constitute an unauthorized
3 debt of the state and shall be invalid.

4 (c) For purposes of this Code section, any contract or agreement which has a term in
5 excess of five years or is by its terms renewable for a total term in excess of five years is
6 considered a long-term agreement.

7 (d) Notwithstanding any other provision of this Code section to the contrary, if the board
8 of regents or the State Board of Technical and Adult Education shall demonstrate to the
9 satisfaction of the authority that financing may be obtained from a local development
10 authority on terms equally favorable or more favorable than those available from the
11 authority, then the authority may grant permission to the board of regents or the State
12 Board of Technical and Adult Education to use the local development authority to obtain
13 such financing.

14 20-3-181.

15 This article, being for the welfare of the state and its inhabitants, shall be liberally
16 construed to effect its purposes."

17 **SECTION 2.**

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

20 **SECTION 3.**

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