

House Bill 1012

By: Representatives Millar of the 79th, Watson of the 91st, Chambers of the 81st, Jennings of the 82nd, and Jacobs of the 80th

A BILL TO BE ENTITLED
AN ACT

1 To amend Code Section 36-82-1 of the Official Code of Georgia Annotated, relating to
2 requirements and conditions applicable to general obligation bonds, so as to provide for
3 additional bond performance audit requirements; to provide an effective date; to repeal
4 conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 style="text-align:center">**SECTION 1.**

7 Code Section 36-82-1 of the Official Code of Georgia Annotated, relating to requirements
8 and conditions applicable to general obligation bonds, is amended by striking subsection (d)
9 and inserting in its place a new subsection (d) to read as follows:

10 "(d)(1) Every legal advertisement of a bond election shall contain a reference that any
11 brochures, listings, or other advertisements issued by the governing body of any county,
12 municipality, or other political subdivision of this state or by any other person, firm,
13 corporation, or association with the knowledge and consent of the governing body of such
14 county, municipality, or other political subdivision of this state shall be deemed to be a
15 statement of intention of the governing body of such county, municipality, or other
16 political subdivision of this state concerning the use of the bond funds; and such
17 statement of intention shall be binding on the governing body of such county,
18 municipality, or other political subdivision of this state in the expenditure of any such
19 bond funds or interest received from such bond funds which have been invested, unless
20 the governing body of such county, municipality, or other political subdivision of this
21 state uses such bond funds for the retirement of bonded indebtedness, in the manner
22 provided for in this Code section; and such statement of intention shall be set forth in the
23 resolution pursuant to which such bonds are issued. Bond funds and interest received
24 from such bond funds which have been invested shall be expended in the manner in
25 which advertised and for the purpose stated in such statement of intention. The
26 governing body of such county, municipality, or other political subdivision of this state

1 may, by a two-thirds' vote, declare any project which has been established pursuant to
 2 any such statement of intention to be unnecessary. In that event, the governing body of
 3 such county, municipality, or other political subdivision of this state shall use such bond
 4 funds for the payment of all or any part of the principal and interest on any bonded
 5 indebtedness of such county, municipality, or other political subdivision of this state then
 6 outstanding. Surpluses from the overestimated projects, including interest received on
 7 bond funds of such projects, shall be used first to complete underestimated projects and
 8 all remaining funds received from interest and overestimated projects shall be used for
 9 other projects or improvements which the governing body of such county, municipality,
 10 or other political subdivision of this state may deem necessary and which are
 11 encompassed within the language of the statement of purpose in the election notice. Any
 12 meetings of any governing bodies at which any bond fund allocation is made shall be
 13 open to the public. Such meetings shall be announced to the news media in advance and
 14 shall be open to the news media.

15 (2)(A) When bonds are issued in the amount of \$25 million or more, the expenditure
 16 of bond proceeds shall be subject to an ongoing performance audit or performance
 17 review as provided in this paragraph; but this paragraph shall not apply if such bond
 18 issue is below \$25 million.

19 (B) Each county or municipality expending bond proceeds shall provide for a
 20 continuing performance audit or performance review of the expenditure of such funds.
 21 The county or municipality shall contract with an outside auditor, consultant, or other
 22 provider for such performance audit or performance review. The performance audit or
 23 performance review contract shall:

24 (i) Include a goal of ensuring to the maximum extent possible that the bond funds are
 25 expended efficiently and economically, so as to secure to the county or municipality
 26 the maximum possible benefit from the bond funds;

27 (ii) Provide for the issuance of periodic public reports, not less often than once
 28 annually, with respect to the extent to which expenditures are meeting the goal
 29 specified in division (i) of this subparagraph; and

30 (iii) Provide for the issuance of periodic public recommendations, not less often than
 31 once annually, for improvements in meeting the goal specified in division (i) of this
 32 subparagraph.

33 (C) The auditor, consultant, or other provider to carry out the performance audit or
 34 performance review shall be selected through a public request for proposals process.
 35 The cost of the performance audit or performance review may be paid from any
 36 available funds of the county or municipality.

1 (D) The requirements of this paragraph shall apply with respect to any bonds issued
2 prior to July 1, 2006, as well as any bonds issued after that date."

3 **SECTION 2.**

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

6 **SECTION 3.**

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