

House Bill 1295

By: Representatives Geisinger of the 48<sup>th</sup>, Willard of the 49<sup>th</sup>, Lindsey of the 54<sup>th</sup>, Wilkinson of the 52<sup>nd</sup>, Burns of the 157<sup>th</sup>, and others

A BILL TO BE ENTITLED  
AN ACT

1 To amend Chapter 44 of Title 36 of the Official Code of Georgia Annotated, relating to  
2 redevelopment powers, so as to provide for the issuance of tax allocation bonds by two or  
3 more political subdivisions; to provide for the issuance of tax allocations bonds by  
4 redevelopment agencies; to change certain provisions regarding definitions; to change certain  
5 provisions regarding redevelopment of powers of political subdivisions; to change certain  
6 provisions regarding delegation of redevelopment powers to a redevelopment agency; to  
7 change certain provisions regarding computation of tax allocation increments of tax  
8 allocation districts; to change certain provisions regarding allocation of positive tax  
9 allocation increments; to change certain provisions regarding payment of redevelopment  
10 costs; to change certain provisions regarding issuance of tax allocation bonds; to change  
11 certain provisions regarding loans for financing redevelopment costs; to repeal conflicting  
12 laws; and for other purposes.

13 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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

15 Chapter 44 of Title 36 of the Official Code of Georgia Annotated, relating to redevelopment  
16 powers, is amended by revising Code Section 36-44-3, relating to definitions regarding  
17 redevelopment powers, as follows:

18 "36-44-3.

19 As used in this chapter, the term:

20 (1) 'Ad valorem property taxes' means all ad valorem property taxes levied by each  
21 political subdivision and each county and independent board of education consenting to  
22 the inclusion of that board of education's property taxes as being applicable to a tax  
23 allocation district as provided by Code Section 36-44-9, except:

24 (A) Those ad valorem property taxes levied to repay bonded indebtedness;

25 (B) Unless otherwise provided in the resolution creating such district, those ad valorem  
26 property taxes levied on personal property or on motor vehicles; and

1 (C) Unless otherwise provided in the resolution creating such district, those ad valorem  
 2 property taxes levied on the assessed value of property owned by public utilities and  
 3 railroad companies, as determined pursuant to the provisions of Chapter 5 of Title 48.

4 (2) 'Area of operation' means, in the case of a municipality or its redevelopment agency,  
 5 the territory lying within the corporate limits of such municipality; in the case of a county  
 6 or its redevelopment agency, the territory lying within the unincorporated area of the  
 7 county; and, in the case of a consolidated government or its redevelopment agency, the  
 8 area lying within the territorial boundaries of the consolidated government. 'Area of  
 9 operation' may also mean the combined areas of operation of political subdivisions which  
 10 participate in the creation of a common redevelopment agency to serve such participating  
 11 political subdivisions as provided in subsection (d) of Code Section 36-44-4.

12 (3) 'Local legislative body' means the official or body in which the legislative powers of  
 13 a political subdivision are vested.

14 (4) 'Political subdivision' means for purposes of this chapter:

15 (A) Any any county, municipality, or consolidated government of this state; or

16 (B) Each county, municipality, or consolidated government of this state which has  
 17 formed a common redevelopment agency as set forth in paragraph (2) of this Code  
 18 section with jurisdiction over a portion of a combined area of operation.

19 (5) 'Redevelopment' means any activity, project, or service necessary or incidental to  
 20 achieving the development or revitalization of a redevelopment area or a portion thereof  
 21 designated for redevelopment by a redevelopment plan or the preservation or  
 22 improvement of historical or natural assets within a redevelopment area or a portion  
 23 thereof designated for redevelopment by a redevelopment plan. Without limiting the  
 24 generality of the foregoing, redevelopment may include any one or more of the following:

25 (A) The construction of any building or other facility for use in any business,  
 26 commercial, industrial, governmental, educational, charitable, or social activity;

27 (B) The renovation, rehabilitation, reconstruction, remodeling, repair, demolition,  
 28 alteration, or expansion of any existing building or other facility for use in any business,  
 29 commercial, industrial, governmental, educational, charitable, or social activity;

30 (C) The construction, reconstruction, renovation, rehabilitation, remodeling, repair,  
 31 demolition, alteration, or expansion of public or private housing;

32 (D) The construction, reconstruction, renovation, rehabilitation, remodeling, repair,  
 33 demolition, alteration, or expansion of public works or other public facilities necessary  
 34 or incidental to the provision of governmental services;

35 (E) The identification, preservation, renovation, rehabilitation, reconstruction,  
 36 remodeling, repair, demolition, alteration, or restoration of buildings or sites which are  
 37 of historical significance;

1 (F) The preservation, protection, renovation, rehabilitation, restoration, alteration,  
2 improvement, maintenance, and creation of open spaces or green spaces;

3 (G) The development, construction, reconstruction, repair, demolition, alteration, or  
4 expansion of structures, equipment, and facilities for mass transit;

5 (H) The development, construction, reconstruction, renovation, rehabilitation, repair,  
6 demolition, alteration, or expansion of telecommunication infrastructure;

7 (I) The development, construction, reconstruction, renovation, rehabilitation, repair,  
8 demolition, alteration, or expansion of facilities for the improvement of pedestrian  
9 access and safety;

10 (J) Improving or increasing the value of property; and

11 (K) The acquisition and retention or acquisition and disposition of property for  
12 redevelopment purposes or the use for redevelopment purposes of property already  
13 owned by a political subdivision or any agency or instrumentality thereof.

14 (6) 'Redevelopment agency' means the local legislative body of a political subdivision  
15 or a public body corporate and politic created as the redevelopment agency of the  
16 political subdivision or an existing public body corporate and politic designated as the  
17 redevelopment agency of the political subdivision pursuant to Code Section 36-44-4.

18 (7) 'Redevelopment area' means:

19 (A) Any urbanized or developed area in which the structures, buildings, or  
20 improvements, by reason of dilapidation, deterioration, age, or obsolescence,  
21 inadequate provision for ventilation, light, air, sanitation, or open spaces, high density  
22 of population and overcrowding, or the existence of conditions which endanger life or  
23 property by fire and other causes, or any combination of such factors, is conducive to  
24 ill health, transmission of disease, infant mortality, high unemployment, juvenile  
25 delinquency, or crime and is detrimental to the public health, safety, morals, or welfare;

26 (B) Any urbanized or developed area which by reason of the presence of a predominant  
27 number of substandard, slum, deteriorated, or deteriorating structures; the  
28 predominance of defective or inadequate street layout, inadequate parking, roadways,  
29 bridges, or public transportation facilities incapable of handling the volume of traffic  
30 flow into or through the area, either at present or following proposed redevelopment;  
31 the faulty lot layout in relation to size, adequacy, accessibility, or usefulness; unsanitary  
32 or unsafe conditions; deterioration of site or other improvements; the diversity of  
33 ownership, tax, or special assessment delinquency exceeding the fair value of the land;  
34 diversity of ownership on defective or unusual conditions of title which prevent or  
35 encumber the free alienability of land; or the existence of conditions which endanger  
36 life or property by fire and other causes; or any combination of the foregoing,  
37 substantially impairs or arrests the sound growth of the community, retards the

1 provision of housing accommodations or employment opportunities; or constitutes an  
2 economic or social liability and is a menace to the public health, safety, morals, or  
3 welfare in its present condition and use;

4 (C) Any open area located within an urbanized or developed area within the corporate  
5 limits of a municipality which because of any factor or combination of factors  
6 enumerated in subparagraph (A) or (B) of this paragraph substantially impairs or arrests  
7 the sound growth of the community;

8 (D) Any area located within an urbanized or developed area and which, immediately  
9 prior to becoming an open area, qualified as a redevelopment area under subparagraph  
10 (A) or (B) of this paragraph;

11 (E) Any area located within an urbanized or developed area which is substantially  
12 underutilized by containing open lots or parcels of land or by containing a substantial  
13 number of buildings or structures which are 40 years old or older or by containing  
14 structures or buildings of relatively low value as compared to the value of structures or  
15 buildings in the vicinity of the area or by having development impaired by airport and  
16 related transportation noise or by related environmental factors or an area in which  
17 there is a shortage of housing that is affordable for persons of low or moderate income  
18 which the local legislative body designates as appropriate for community  
19 redevelopment or by any combination of the foregoing factors;

20 (F) Any geographic area designated within the comprehensive plan of a political  
21 subdivision for redevelopment which has previously been developed for commercial,  
22 residential, industrial, office, or similar or ancillary uses and which lies within the  
23 service delivery area of the political subdivision, in which the current condition of the  
24 area is less desirable than the redevelopment of the area for new commercial,  
25 residential, industrial, office, or other uses, or a combination of uses, including the  
26 provision of open space or pedestrian and transit improvements, and any geographic  
27 area that is adversely affected by airport or transportation related noise or other  
28 environmental degradation, contamination, or other environmental factors which the  
29 political subdivision has determined to be impairing or retarding the redevelopment of  
30 the area;

31 (G) Any urbanized or developed area or an area connecting two or more urbanized or  
32 developed areas that has been subject to some development but which has inadequate  
33 roadways, bridges, or public transportation or transit facilities incapable of handling the  
34 volume of traffic or passenger flow in or through the area in a safe and efficient manner  
35 either at present or following proposed redevelopment; or

36 (H) Any area constituted of the combined areas of operation of political subdivisions  
37 which have formed a common redevelopment agency as provided for in subsection (d)

1 of Code Section 36-44-4 for the purpose of accomplishing a regional impact project  
 2 determined, as provided in subparagraph (S) of paragraph (9) of this Code section, to  
 3 be a project of regional significance and which could not be reasonably implemented  
 4 without two or more political subdivisions acting jointly or in cooperation by forming  
 5 a tax allocation district to service a combined redevelopment area; or

6 (I) Any area combining any factors specified in subparagraphs (A) through ~~(G)~~ (H) of  
 7 this paragraph.

8 (8) 'Redevelopment costs' means any expenditures made or estimated to be made or  
 9 monetary obligations incurred or estimated to be incurred to achieve the redevelopment  
 10 of a redevelopment area or any portion thereof designated by a redevelopment plan or any  
 11 expenditures made to carry out or exercise any powers granted by this chapter. Without  
 12 limiting the generality of the foregoing, redevelopment costs may include any one or  
 13 more of the following:

14 (A) Capital costs, including the costs incurred or estimated to be incurred for the  
 15 construction of public works or improvements, new buildings, structures, and fixtures;  
 16 the renovation, rehabilitation, reconstruction, remodeling, repair, demolition, alteration,  
 17 or expansion of existing buildings, structures, and fixtures; the acquisition of  
 18 equipment; and the clearing and grading of land;

19 (B) Financing costs, including, but not limited to, all necessary and incidental expenses  
 20 related to the issuance of obligations and which may include payment of interest on any  
 21 obligations issued under this chapter occurring during the estimated period of  
 22 construction of any project with respect to which any capital costs within the meaning  
 23 of subparagraph (A) of this paragraph are financed in whole or in part by such  
 24 obligations and for a period not to exceed 42 months after completion of any such  
 25 construction and including reasonable reserves related thereto and all principal and  
 26 interest paid to holders of evidences of indebtedness issued to pay for other  
 27 redevelopment costs and any premium paid over the principal amount thereof because  
 28 of the redemption of such obligations prior to maturity;

29 (C) Professional service costs, including those costs incurred for architectural,  
 30 planning, engineering, financial, marketing, and legal advice and services;

31 (D) Imputed administrative costs, including reasonable charges for the time spent by  
 32 public employees in connection with the implementation of a redevelopment plan;

33 (E) Relocation costs as authorized by a redevelopment plan for persons or businesses  
 34 displaced by the implementation of a redevelopment plan, including but not limited to,  
 35 those relocation payments made following condemnation under Chapter 4 of Title 22,  
 36 'The Georgia Relocation Assistance and Land Acquisition Policy Act';

- 1 (F) Organizational costs, including the costs of conducting environmental impact and  
2 other studies, and the costs of informing the public with respect to the creation and  
3 implementation of redevelopment plans;
- 4 (G) Payments to a political subdivision or board of education in lieu of taxes to  
5 compensate for any loss of tax revenues or for any capital costs incurred because of  
6 redevelopment activity; provided, however, that any such payments to a political  
7 subdivision or board of education shall not exceed in any year the amount of the  
8 contribution to the tax allocation increment in that year by such political subdivision  
9 or board of education; and
- 10 (H) Real property assembly costs.
- 11 (9) 'Redevelopment plan' means a written plan of redevelopment for a redevelopment  
12 area or a designated portion thereof which:
- 13 (A) Specifies the boundaries of the proposed redevelopment area;
- 14 (B) Explains the grounds for a finding by the local legislative body that the  
15 redevelopment area on the whole has not been subject to growth and development  
16 through private enterprise and would not reasonably be anticipated to be developed  
17 without the approval of the redevelopment plan or that the redevelopment area includes  
18 one or more natural or historical assets which have not been adequately preserved or  
19 protected and such asset or assets would not reasonably be anticipated to be adequately  
20 preserved or protected without the approval of the redevelopment plan;
- 21 (C) Explains the proposed uses after redevelopment of real property within the  
22 redevelopment area;
- 23 (D) Describes any redevelopment projects within the redevelopment area proposed to  
24 be authorized by the redevelopment plan, estimates the cost thereof, and explains the  
25 proposed method of financing such projects;
- 26 (E) Describes any contracts, agreements, or other instruments creating an obligation  
27 for more than one year which are proposed to be entered into by the political  
28 subdivision or its redevelopment agency or both for the purpose of implementing the  
29 redevelopment plan;
- 30 (F) Describes the type of relocation payments proposed to be authorized by the  
31 redevelopment plan;
- 32 (G) Includes a statement that the proposed redevelopment plan conforms with the local  
33 comprehensive plan, master plan, zoning ordinance, and building codes of the political  
34 subdivision or explains any exceptions thereto;
- 35 (H) Estimates redevelopment costs to be incurred or made during the course of  
36 implementing the redevelopment plan;

- 1 (I) Recites the last known assessed valuation of the redevelopment area and the  
 2 estimated assessed valuation after redevelopment;
- 3 (J) Provides that property which is to be redeveloped under the plan and which is either  
 4 designated as a historic property under Article 2 of Chapter 10 of Title 44, the 'Georgia  
 5 Historic Preservation Act,' or is listed on or has been determined by any federal agency  
 6 to be eligible for listing on the National Register of Historic Places will not be:
- 7 (i) Substantially altered in any way inconsistent with technical standards for  
 8 rehabilitation; or
- 9 (ii) Demolished unless feasibility for reuse has been evaluated based on technical  
 10 standards for the review of historic preservation projects,  
 11 which technical standards for rehabilitation and review shall be those used by the state  
 12 historic preservation officer, although nothing in this subparagraph shall be construed  
 13 to require approval of a redevelopment plan or any part thereof by the state historic  
 14 preservation officer;
- 15 (K) Specifies the proposed effective date for the creation of the tax allocation district  
 16 and the proposed termination date;
- 17 (L) Contains a map specifying the boundaries of the proposed tax allocation district  
 18 and showing existing uses and conditions of real property in the proposed tax allocation  
 19 district;
- 20 (M) Specifies the estimated tax allocation increment base of the proposed tax  
 21 allocation district;
- 22 (N) Specifies ad valorem property taxes for computing tax allocation increments  
 23 determined in accordance with Code Section 36-44-9 and supported by any resolution  
 24 required under paragraph (3) of Code Section 36-44-8;
- 25 (O) Specifies the amount of the proposed tax allocation bond issue or issues and the  
 26 term and assumed rate of interest applicable thereto;
- 27 (P) Estimates positive tax allocation increments for the period covered by the term of  
 28 the proposed tax allocation bonds;
- 29 (Q) Specifies the property proposed to be pledged for payment or security for payment  
 30 of tax allocation bonds which property may include positive tax allocation increments  
 31 derived from the tax allocation district, all or part of general funds derived from the tax  
 32 allocation district, and any other property from which bonds may be paid under Code  
 33 Section 36-44-14, subject to the limitations of Code Sections 36-44-9 and 36-44-20;  
 34 and
- 35 (R) Includes such other information as may be required by resolution of the political  
 36 subdivision whose area of operation includes the proposed redevelopment area; and

1 (S) Explains, in the case of a redevelopment plan for a combined area of operation, the  
 2 grounds for a finding by each local legislative body that the goals of the redevelopment  
 3 plan could not be reasonably attained without two or more political subdivisions acting  
 4 jointly or in cooperation.

5 (10) 'Resolution' means a resolution or ordinance by which a local legislative body takes  
 6 official legislative action, and any duly-adopted amendment thereto.

7 (11) 'Special fund' means the fund provided for in subsection (c) of Code Section  
 8 36-44-11.

9 (12) 'Tax allocation bonds' means one or more series of bonds, notes, or other obligations  
 10 issued by a political subdivision or by political subdivisions acting jointly or in  
 11 cooperation with one another or by or through a common redevelopment agency to serve  
 12 such participating political subdivisions as provided in subsection (d) of Code section  
 13 36-44-4 to finance, wholly or partly, redevelopment costs within a tax allocation district  
 14 and which are issued on the basis of pledging for the payment or security for payment of  
 15 such bonds positive tax allocation increments derived from the tax allocation district, all  
 16 or part of general funds derived from the tax allocation district, and any other property  
 17 from which bonds may be paid under Code Section 36-44-14, as determined by the  
 18 political subdivision subject to the limitations of Code Sections 36-44-9 and 36-44-20.  
 19 Tax allocation bonds shall not constitute debt within the meaning of Article IX, Section  
 20 V of the Constitution. Tax allocation bonds issued by a common redevelopment agency  
 21 may be secured by an intergovernmental agreement entered into by the local legislative  
 22 body of one or more political subdivisions acting jointly or in cooperation with one  
 23 another according to the subject redevelopment plan as authorized by this chapter or by  
 24 Article IX, Section III, Paragraph I(a) of the Constitution.

25 (13) 'Tax allocation district' means a contiguous geographic area within a redevelopment  
 26 area which is defined and created by resolution of the local legislative body of a political  
 27 subdivision or by political subdivisions acting jointly or in cooperation with one another  
 28 or by a common redevelopment agency to serve such participating political subdivisions  
 29 as provided in subsection (d) of Code section 36-44-4 pursuant to subparagraph (B) of  
 30 paragraph (3) of Code Section 36-44-8 for the purpose of issuing tax allocation bonds to  
 31 finance, wholly or partly, redevelopment costs within the area.

32 (14) 'Tax allocation increment' means that amount obtained by multiplying the total ad  
 33 valorem property taxes, determined as provided in Code Section 36-44-9, levied within  
 34 a tax allocation district in any year by a fraction having a numerator equal to that year's  
 35 taxable value of all taxable property subject to ad valorem property taxes within the tax  
 36 allocation district minus the tax allocation increment base and a denominator equal to that  
 37 year's taxable value of all taxable property subject to ad valorem property taxes within



1 the tax allocation district. In any year, a tax allocation increment is 'positive' if the tax  
 2 allocation increment base is less than that year's taxable value of all taxable property  
 3 subject to ad valorem property taxes and 'negative' if such base exceeds such taxable  
 4 value.

5 (15) 'Tax allocation increment base' means the taxable value of all taxable property  
 6 subject to ad valorem property taxes, as certified by the state revenue commissioner,  
 7 located within a tax allocation district on the effective date such district is created  
 8 pursuant to Code Section 36-44-8.

9 (16) 'Taxable property' means all real and personal property subject to ad valorem  
 10 taxation by a political subdivision, including property subject to local ad valorem taxation  
 11 for educational purposes.

12 (17) 'Taxable value' means the current assessed value of taxable property as shown on  
 13 the tax digest of the county in which the property is located."

## 14 SECTION 2.

15 Said chapter is further amended by revising Code Section 36-44-5, relating to redevelopment  
 16 powers of political subdivisions, as follows:

17 "36-44-5.

18 (a) Subject to the limitation of subsection (b) of this Code section, a political subdivision  
 19 may exercise any powers necessary or convenient to carry out the purposes of this chapter,  
 20 including, but not limited to, the power to:

21 (1) Describe the boundaries of one or more redevelopment areas within its area of  
 22 operation, but any redevelopment area so described shall conform to the definition of a  
 23 redevelopment area provided by paragraph (7) of Code Section 36-44-3;

24 (2) Cause redevelopment plans to be prepared, to approve by resolution the plans, and  
 25 to implement the provisions and effectuate the purposes of the plans;

26 (3) Create within redevelopment areas tax allocation districts and define the boundaries  
 27 thereof or designate an entire redevelopment area as a tax allocation district;

28 (4) Define the boundaries of portions of a redevelopment area or an entire redevelopment  
 29 area for the implementation of redevelopment plans other than plans calling for the  
 30 creation of tax allocation districts;

31 (5) Issue tax allocation bonds individually or jointly or in cooperation with one or more  
 32 additional political subdivisions;

33 (6) Deposit moneys into and disburse moneys from the special fund of any tax allocation  
 34 district;

35 (7) Enter into and execute any contracts, leases, mortgages, or other agreements,  
 36 including agreements with bondholders or lenders, determined by the local legislative

1 body to be necessary or convenient to implement the provisions and effectuate the  
 2 purposes of redevelopment plans. The contracts or agreements may include conditions,  
 3 restrictions, or covenants which either run with the land or otherwise regulate the use of  
 4 land;

5 (8) Acquire and retain or acquire and dispose of property or interests therein for  
 6 redevelopment purposes or use or dispose of property or interests therein presently owned  
 7 by the political subdivision for redevelopment purposes; and any disposition of such  
 8 property or interests therein may be by public or private sale or lease; and

9 (9) Exercise, for the purposes of this chapter, any powers conferred upon political  
 10 subdivisions by Chapter 61 of this title, the 'Urban Redevelopment Law.'

11 (b) The powers granted to political subdivisions by subsection (a) of this Code section and  
 12 by this chapter and any powers delegated to a redevelopment agency pursuant to Code  
 13 Section 36-44-6 may be exercised only for the purpose of adopting and implementing  
 14 redevelopment plans, but this limitation shall not be construed to interfere with the exercise  
 15 of any power now or hereafter possessed by a political subdivision which is granted by any  
 16 other law."

### 17 SECTION 3.

18 Said chapter is further amended by revising Code Section 36-44-6, relating to delegation of  
 19 redevelopment powers to a redevelopment agency, as follows:

20 "36-44-6.

21 (a) Subject to the limitations of subsection (b) of this Code section, the local legislative  
 22 body of a political subdivision, by resolution, may delegate any of its redevelopment  
 23 powers to its redevelopment agency created or designated pursuant to Code Section  
 24 36-44-4. Any common redevelopment agency created pursuant to subsection (d) of Code  
 25 Section 36-44-4 shall be authorized, subject to any limitation as may be imposed by the  
 26 respective participant local legislative bodies, to undertake to finance, wholly or partly,  
 27 redevelopment costs, as defined in this chapter, within a tax allocation district created for  
 28 a combined redevelopment area. The local legislative body shall have authority to delegate  
 29 some or all such powers in such manner and pursuant to such terms and conditions as the  
 30 local legislative body shall provide by resolution. Any such resolution shall specify any  
 31 powers delegated to a redevelopment agency, and such resolution may be amended,  
 32 modified, or repealed by the local legislative body adopting it.

33 (b) Any delegation of redevelopment powers pursuant to the authority of subsection (a)  
 34 of this Code section shall be limited by the following requirements:

35 (1) Any redevelopment plan must be approved by resolution of the local legislative body  
 36 of the political subdivision as a condition precedent to the implementation of said

1 redevelopment plan, and such approval shall be subject to the requirements of Code  
2 Section 36-44-7;

3 (2) The boundaries of any redevelopment area must be described by resolution of the  
4 local legislative body of the political subdivision;

5 (3) A tax allocation district must be created by resolution of the local legislative body of  
6 the political subdivision;

7 (4) The issuance of any tax allocation bonds shall be by resolution of the local legislative  
8 body of the political subdivision, except in the case of a common redevelopment agency  
9 created pursuant to subsection (d) of Code Section 36-44-4 where the delegation of the  
10 power to issue tax allocation bonds by the common redevelopment agency shall be by  
11 resolution of the respective participant local legislative bodies;

12 (5) ~~Except as provided in subsection (c) of this Code section, the~~ The power of eminent  
13 domain may only be exercised under this chapter by the local legislative body of a  
14 political subdivision; and

15 (6) A local legislative body may not delegate to a redevelopment agency created under  
16 subsection (b), (c), (d), or (e) of Code Section 36-44-4 any urban redevelopment project  
17 powers except those which may be conferred on an urban redevelopment agency under  
18 Code Section 36-61-17 of the 'Urban Redevelopment Law.'

#### 19 SECTION 4.

20 Said chapter is further amended by adding a new subsection to Code Section 36-44-9,  
21 relating to computation of tax allocation increments of tax allocation districts, to read as  
22 follows:

23 "(g) When a tax allocation district is created within the combined area of operation of  
24 political subdivisions which have adopted a combined redevelopment plan pursuant to  
25 subparagraph (S) of paragraph (9) of Code Section 36-44-3, property taxes for computing  
26 tax allocation increments shall be based on ad valorem property taxes levied for  
27 governmental purposes or educational purposes of each political subdivision or board of  
28 education consenting to the combined redevelopment plan, except as otherwise conditioned  
29 by resolution of the local legislative bodies of the respective political subdivision or board  
30 of education."

#### 31 SECTION 5.

32 Said chapter is further amended by revising Code Section 36-44-11, relating to allocation of  
33 positive tax allocation increments, as follows:

1 "36-44-11.

2 (a) Positive tax allocation increments of a tax allocation district shall be allocated to the  
3 political subdivision which created the district for each year from the effective date of the  
4 creation of the district until that time when all redevelopment costs and all tax allocation  
5 bonds of the district have been paid or provided for, subject to any agreement with  
6 bondholders. General funds derived from the tax allocation district which have been  
7 pledged for payment or security for payment of tax allocation bonds and other  
8 redevelopment costs of the tax allocation district shall also be allocated to the political  
9 subdivision which created the district for each year from the effective date of the creation  
10 of the district until that time when all redevelopment costs and all tax allocation bonds have  
11 been paid or provided for, subject to any agreement with bondholders.

12 (b)(1) Each county tax collector or tax commissioner, municipal official responsible for  
13 collecting municipal ad valorem property taxes, or consolidated government official  
14 responsible for collecting consolidated government ad valorem property taxes shall, on  
15 the dates provided by law for the payment of taxes collected to the respective political  
16 subdivisions, pay over to the appropriate fiscal officer of each political subdivision  
17 having created a tax allocation district, out of taxes collected on behalf of such political  
18 subdivision, including but not limited to taxes collected for a political subdivision or  
19 board of education consenting, pursuant to Code Section 36-44-9, to inclusion of its ad  
20 valorem property taxes in the computation of tax allocation increments for that tax  
21 allocation district, that portion, if any, which represents positive tax allocation increments  
22 payable to such political subdivision.

23 (2) In addition, each county shall, upon receipt, pay over to the appropriate fiscal officer  
24 of each municipality or common redevelopment agency in the case of a tax allocation  
25 district for a combined redevelopment area having created a tax allocation district that  
26 portion, if any, of its general funds derived from the tax allocation district which have  
27 been pledged for payment or security for payment of tax allocation bonds and for  
28 payment of other redevelopment costs of the tax allocation district pursuant to Code  
29 Section 36-44-9.

30 (3) In the case of a tax allocation district created within the combined areas of operation  
31 of political subdivisions which have adopted a combined redevelopment plan pursuant  
32 to subparagraph (S) of paragraph (9) of Code Section 36-44-3, each of the respective tax  
33 collectors, tax commissioners, municipal officials, or consolidated government officials  
34 responsible for collecting ad valorem property taxes shall pay such amounts to the  
35 designated fiscal officer of the common redevelopment agency for deposit into a  
36 combined special fund.

1 (c) All positive tax allocation increments received for a tax allocation district shall be  
2 deposited into a special fund for the district upon receipt by the fiscal officer of the political  
3 subdivision or common redevelopment agency in the case of a tax allocation district for a  
4 combined redevelopment area. All general funds derived from the tax allocation district  
5 which have been pledged for payment or security for payment of tax allocation bonds and  
6 other redevelopment costs of the tax allocation district shall be deposited upon receipt into  
7 the special fund. Any lease or other contract payments made under the district's  
8 redevelopment plan shall also be deposited upon receipt into the special fund. Moneys  
9 derived from positive tax allocation increments, general fund moneys, and moneys derived  
10 from lease or other contract payments shall be accounted for separately within the special  
11 fund. Moneys shall be paid out of the fund only to pay redevelopment costs of the district  
12 or to satisfy claims of holders of tax allocation bonds issued for the district. The local  
13 legislative body shall irrevocably pledge all or a part of such special fund to the payment  
14 of the tax allocation bonds. The special fund or designated part thereof may thereafter be  
15 used only for the payment of the tax allocation bonds and interest until they have been fully  
16 paid, and a holder of said bonds shall have a lien against the special fund or said designated  
17 part thereof pledged for payment of said bonds and may either at law or in equity protect  
18 and enforce the lien. General funds derived from the tax allocation district may be used  
19 for payment of tax allocation bonds only to the extent that positive tax allocation  
20 increments and lease or other contract payments in the special fund are insufficient at any  
21 time to pay principal and interest due on such bonds. Subject to any agreement with  
22 bondholders, moneys in the fund may be temporarily invested in the same manner as other  
23 funds of the political subdivision. Except as provided in Code Section 36-44-20, general  
24 funds derived from the tax allocation district may be used for payment of tax allocation  
25 bonds only to the extent that positive tax allocation increments and lease or other contract  
26 payments in the special fund are insufficient at any time to pay the principal and interest  
27 due on such bonds. After all redevelopment costs and all tax allocation bonds of the  
28 district have been paid or provided for, subject to any agreement with bondholders, if there  
29 remains in the fund any moneys derived from positive tax allocation increments, they shall  
30 be paid over to each county, municipality, consolidated government, or county or  
31 independent board of education whose ad valorem property taxes were affected by the tax  
32 allocation district in proportion to the aggregate contribution of such taxes by such political  
33 subdivision less aggregate payments to such political subdivision pursuant to subparagraph  
34 (G) of paragraph (8) of Code Section 36-44-3 and in the same manner as the most recent  
35 distribution by the county tax collector or tax commissioner, municipal official responsible  
36 for collecting municipal ad valorem property taxes, or consolidated government official  
37 responsible for collecting consolidated government ad valorem property taxes. If there

1 remains in the fund any other moneys, they shall be paid over to each political subdivision  
 2 which contributed to the fund in proportion to the respective total contribution each made  
 3 to the fund."

#### 4 SECTION 6.

5 Said chapter is further amended by revising Code Section 36-44-13, relating to payment of  
 6 redevelopment costs, as follows:

7 "36-44-13.

8 Payment of redevelopment costs may be made by any of the following methods or any  
 9 combination thereof:

10 (1) Payment by the political subdivision or common redevelopment agency in the case  
 11 of a tax allocation district for a combined redevelopment area from the special fund of  
 12 the tax allocation district;

13 (2) Payment from the general funds of a political subdivision subject to the limitations  
 14 of Code Sections 36-44-9 and 36-44-20;

15 (3) Payment out of the proceeds of the sale of revenue bonds issued by the political  
 16 subdivision pursuant to Chapter 61 of this title, the 'Urban Redevelopment Law,' and  
 17 revenue bonds may be issued under such law for redevelopment purposes within the  
 18 meaning of this chapter;

19 (4) Payment out of the proceeds of the sale of tax allocation bonds issued by the political  
 20 subdivision under this chapter;

21 (5) Payment from the proceeds from any loans made to a political subdivision pursuant  
 22 to the authority of Code Section 36-44-16; ~~and~~

23 (6) Lease payments and other payments pursuant to contracts under a redevelopment  
 24 plan; and

25 (7) Payment out of the proceeds of the sale of revenue bonds issued by a common  
 26 redevelopment agency."

#### 27 SECTION 7.

28 Said chapter is further amended by revising Code Section 36-44-14, relating to issuance of  
 29 tax allocation bonds, as follows:

30 "36-44-14.

31 (a) Only for the purpose of paying redevelopment costs for a tax allocation district created  
 32 under this chapter, the local legislative body or the local legislative bodies of two or more  
 33 political subdivisions acting jointly or in cooperation with one another or by or through a  
 34 common redevelopment agency created to serve such participating political subdivisions  
 35 as provided in subsection (d) of Code Section 36-44-4 may issue tax allocation bonds. Tax

1 allocation bonds are declared to be negotiable instruments. Tax allocation bonds issued  
2 under the provisions of this chapter are declared to be issued for an essential public and  
3 governmental purpose and, together with interest thereon and income therefrom, shall be  
4 exempted from all taxes.

5 (b) All tax allocation bonds, notes, and other obligations shall be authorized by resolution  
6 of the local legislative body, adopted by a majority vote of the members thereof at a regular  
7 or special meeting and without the necessity of a referendum or any electoral approval. The  
8 resolution shall state the name of the tax allocation district and the aggregate principal  
9 amount of the tax allocation bonds authorized.

10 (c) Tax allocation bonds, notes, or other obligations issued by a local legislative body  
11 under this chapter shall be payable solely from the property pledged, mortgaged, conveyed,  
12 assigned, hypothecated, or otherwise encumbered to secure or to pay such bonds, notes, or  
13 other obligations, which property shall be limited to real or personal property acquired  
14 pursuant to this chapter and the proceeds from any source from which redevelopment costs  
15 may be paid under Code Section 36-44-13, but subject to the limitations of Code Sections  
16 36-44-9 and 36-44-20. Each such bond, note, or other obligation shall contain recitals as  
17 are necessary to show that it is only so payable and that it does not otherwise constitute an  
18 indebtedness or a charge against the general taxing power of the political subdivision or  
19 county or independent board of education consenting to the use of property taxes as a basis  
20 for computing tax allocation increments or consenting to the use of general funds derived  
21 from the tax allocation district.

22 (d) To increase the security and marketability of tax allocation bonds, notes, or other  
23 obligations, a local legislative body may:

24 (1) Create a lien for the benefit of the bondholders upon any public improvements or  
25 public works financed thereby or the revenues therefrom; and

26 (2) Make covenants and do any and all acts not inconsistent with the Constitution or this  
27 chapter as may be necessary or convenient or desirable in order additionally to secure tax  
28 allocation bonds, notes, or other obligations or tend to make them more marketable  
29 according to the best judgment of the local legislative body.

30 (e) Tax allocation bonds, notes, or other obligations shall bear such date or dates, shall  
31 mature at such time or times not more than 30 years from their respective dates, shall bear  
32 interest at such rate or rates which may be fixed or may fluctuate or otherwise change from  
33 time to time, shall be subject to redemption on such terms, and shall contain such other  
34 terms, provisions, covenants, assignments, and conditions as the resolution authorizing the  
35 issuance of such bonds, notes, or other obligations may permit or provide. The terms,  
36 provisions, covenants, assignments, and conditions contained in or provided or permitted  
37 by any resolution of the local legislative body authorizing the issuance of such tax

1 allocation bonds, notes, or other obligations shall bind the members of the local legislative  
2 body then in office and their successors.

3 (f) The local legislative body shall have power from time to time and whenever it deems  
4 it expedient to refund any tax allocation bonds by the issuance of new tax allocation bonds,  
5 whether or not the bonds to be refunded have matured, and may issue such bonds partly to  
6 refund bonds then outstanding and partly for any other purpose permitted under this  
7 chapter. The refunding bonds may be exchanged for the bonds to be refunded, with such  
8 cash adjustments as may be agreed upon, or may be sold at such price as the local  
9 legislative body may determine and the proceeds applied to the purchase or redemption of  
10 the bonds to be refunded.

11 (g) Tax allocation bonds may not be issued in an amount exceeding the estimated  
12 aggregated redevelopment costs for the tax allocation district. Any limitations with respect  
13 to interest rates or any maximum interest rate or rates found in Article 3 of Chapter 82 of  
14 this title, the 'Revenue Bond Law,' the usury laws of this state, or any other laws of this  
15 state shall not apply to tax allocation bonds, notes, or other obligations of a local legislative  
16 body.

17 (h) All tax allocation bonds issued by a local legislative body under this chapter shall be  
18 issued and validated under and in accordance with Article 3 of Chapter 82 of this title, the  
19 'Revenue Bond Law,' except as provided in this chapter.

20 (i) Tax allocation bonds issued by a local legislative body may be in such form and may  
21 be subject to such exchangeability and transferability provisions as the bond resolution  
22 authorizing the issuance of such bonds or any indenture or trust agreement may provide.

23 (j) Tax allocation bonds shall bear a certificate of validation. The signature of the clerk of  
24 the superior court of the county in which the issuing local legislative body is located may  
25 be made on the certificate of validation of such bonds by facsimile or by manual execution,  
26 stating the date on which such bonds were validated; and such entry shall be original  
27 evidence of the fact of judgment and shall be received as original evidence in any court in  
28 this state.

29 (k) In lieu of specifying the rate or rates of interest which tax allocation bonds to be issued  
30 by a local legislative body are to bear, the notice to the district attorney or the Attorney  
31 General, the notice to the public of the time, place, and date of the validation hearing, and  
32 the petition and complaint for validation may state that the bonds when issued will bear  
33 interest at a rate not exceeding a maximum per annum rate of interest, which rate may be  
34 fixed or may fluctuate or otherwise change from time to time, specified in such notices and  
35 petition and complaint or may state that, in the event the bonds are to bear different rates  
36 of interest for different maturity dates, none of such rates will exceed the maximum rate  
37 so specified, which rate may be fixed or may fluctuate or otherwise change from time to



1 time; provided, however, that nothing in this Code section shall be construed as prohibiting  
2 or restricting the right of a local legislative body to sell such tax allocation bonds at a  
3 discount, even if in doing so the effective interest cost resulting therefrom would exceed  
4 the maximum per annum interest rate specified in such notices and in the petition and  
5 complaint.

6 (l) The term 'redevelopment costs' shall have the meaning prescribed in this chapter  
7 whenever that term is referred to in tax allocation bond resolutions of a local legislative  
8 body, in tax allocation bonds, notes, or other obligations of a local legislative body, or in  
9 notices or proceedings to validate such bonds, notes, or other obligations of a local  
10 legislative body.

11 (m) Subject to the limitations and procedures provided by this chapter, the agreements or  
12 instruments executed by a local legislative body may contain such provisions not  
13 inconsistent with law as shall be determined by the local legislative body.

14 (n) The proceeds derived from the sale of all tax allocation bonds, notes, and other  
15 obligations issued by a local legislative body shall be held and used for the ultimate  
16 purpose of paying, directly or indirectly as permitted in this chapter, redevelopment costs  
17 or for the purpose of refunding any tax allocation bonds, notes, or other obligations issued  
18 in accordance with this chapter.

19 (o) Issuance by a local legislative body of one or more series of tax allocation bonds,  
20 notes, or other obligations for one or more purposes shall not preclude it from issuing other  
21 tax allocation bonds, notes, or other obligations in connection with the same redevelopment  
22 plan or with any other redevelopment plan; but the proceeding wherein any subsequent  
23 bonds, notes, or other obligations are issued shall recognize and protect any prior loan  
24 agreement, mortgage, deed to secure debt, trust deed, security agreement, or other  
25 agreement or instrument made for any prior issue of bonds, notes, or other obligations,  
26 unless in the resolution authorizing such prior issue the right is expressly reserved to the  
27 local legislative body to issue subsequent bonds, notes, or other obligations on a parity with  
28 such prior issue.

29 (p) A local legislative body shall have the power and is authorized, whenever tax  
30 allocation bonds of the local legislative body shall have been validated as provided in this  
31 chapter, to issue from time to time its notes in anticipation of such bonds as validated and  
32 to renew from time to time any such notes by the issuance of new notes, whether or not the  
33 notes to be renewed have matured. The local legislative body may issue such bond  
34 anticipation notes only to provide funds which would otherwise be provided by the  
35 issuance of the bonds as validated. Such notes may be authorized, sold, executed, and  
36 delivered in the same manner as bonds. As with its bonds, the local legislative body may  
37 sell such notes at public sale or at private sale. Any resolution or resolutions authorizing

1 such notes of the local legislative body or any issue thereof may contain any provisions  
 2 which the local legislative body is authorized to include in any resolution or resolutions  
 3 authorizing bonds of the local legislative body to any issue thereof; and the local legislative  
 4 body may include in any such notes any terms, covenants, or conditions which the local  
 5 legislative body is authorized to include in any bonds. Validation of such bonds shall be  
 6 a condition precedent to the issuance of such notes, but it shall not be required that such  
 7 notes be judicially validated. Bond anticipation notes shall not be issued in an amount  
 8 exceeding the par value of the bonds in anticipation of which they are to be issued."

#### 9 **SECTION 8.**

10 Said chapter is further amended by revising Code Section 36-44-16, relating to loans for  
 11 financing redevelopment costs, as follows:

12 "36-44-16.

13 As an additional source for financing redevelopment costs;:

14 (1) A political subdivision or its redevelopment agency may borrow funds from  
 15 financial institutions and, in connection therewith, may pledge or assign lease contracts  
 16 or revenue received from lease contracts on property owned by the political subdivision  
 17 or its redevelopment agency within a redevelopment area. A political subdivision or its  
 18 redevelopment agency is authorized to enter into contracts with financial institutions for  
 19 the purpose of exercising the authority provided by this Code section, and such contracts  
 20 may obligate the political subdivision or its redevelopment agency for any number of  
 21 years not exceeding 25. Contractual obligations incurred by a political subdivision  
 22 pursuant to this Code section shall not constitute debt within the meaning of Article IX,  
 23 Section V of the Constitution; or

24 (2) In the case of a tax allocation district created for a combined redevelopment area, the  
 25 common redevelopment agency may issue its revenue bonds, if authorized by the law  
 26 creating such agency, secured by an intergovernmental agreement with one or more of  
 27 the political subdivisions forming the combined redevelopment area, pursuant to which  
 28 the political subdivisions may assign their rights in the combined special fund and in tax  
 29 increment revenues derived from their respective jurisdictions in consideration of the  
 30 combined redevelopment agency undertaking to implement the combined redevelopment  
 31 plan and to finance redevelopment costs for such plan."

#### 32 **SECTION 9.**

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