

House Bill 1439

By: Representatives Bearden of the 68th and Hembree of the 67th

A BILL TO BE ENTITLED
AN ACT

1 To create the City of Villa Rica Public Facilities Authority; to provide for a short title and
2 legislative findings; to confer powers and impose duties on the authority; to provide for the
3 membership and the appointment of members of the authority and their terms of office,
4 qualifications, duties, powers, and compensation; to provide for vacancies, organization,
5 meetings, and expenses; to provide for definitions; to provide for the issuance and sale of
6 revenue bonds and their negotiability, sale, and use of proceeds from such sales; to provide
7 for conditions for issuance of such obligations; to prohibit the pledge of credit for the
8 payment of bonds; to provide for trust indentures and a sinking fund; to provide for payment
9 of bond proceeds; to provide for bondholder remedies and protection; to provide for
10 refunding bonds; to provide for bond validation; to provide for venue and jurisdiction; to
11 provide for trust funds; to provide for authority's purpose; to provide for charges; to provide
12 for rules and regulations; to provide for tort immunity; to provide for tax exemptions and
13 exemptions from levy and sale; to provide for supplemental powers; to provide for effect on
14 other governments; to provide for liberal construction; to provide for severability; to provide
15 an effective date; to provide for related matters; to repeal conflicting laws; and for other
16 purposes.

17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

18 **SECTION 1.**

19 Short title.

20 This Act shall be known and may be cited as the "City of Villa Rica Public Facilities
21 Authority Act."

1 reimbursed as such out of any funds of the authority, including proceeds of any revenue
2 bonds issued under the provisions of this Act for any such project or projects and the
3 proceeds of the sale of any contracts, lease agreements, or installment sales agreements or
4 the amounts payable thereunder, either directly or by the creation of interests therein.

5 (3) "City" means the City of Villa Rica, Georgia, or its successor.

6 (4) "Project" means any capital project determined by the authority to promote the public
7 good or general welfare of the citizens of the city, or any of its enterprises or systems,
8 including, but not limited to, the acquisition, construction, renovation, improvement,
9 extension, addition, or equipping of (A) utility systems and improvements, including
10 without limitation water and sewer systems and facilities, sewage and solid waste disposal
11 systems and facilities, and electric, gas, and other similar facilities and systems;
12 (B) emergency facilities, including emergency, fire, police, and rescue facilities;
13 (C) recreational facilities, including parks, athletic fields, buildings, or facilities and other
14 similar facilities; (D) public safety facilities, including jails, police departments, facilities,
15 or equipment, and state patrol or other law enforcement facilities or equipment;
16 (E) healthcare facilities and equipment; (F) educational, cultural, or historical facilities and
17 equipment; and (G) administrative facilities and equipment, including city hall buildings
18 and other governmental buildings.

19 (5) "Revenue bonds" means revenue bonds issued by the authority pursuant to the terms
20 of this Act or under Article 3 of Chapter 82 of Title 36 of the O.C.G.A, known as the
21 "Revenue Bond Law."

22 **SECTION 4.**

23 Powers of the authority.

24 The authority shall have the power:

25 (1) To hold, own, lease, transfer, and convey real and personal property or interests
26 therein;

27 (2) To sue and be sued;

28 (3) To have and to use a seal and to alter the same at its pleasure;

29 (4) To acquire, construct, purchase, own, equip, operate, extend, improve, lease, and sell
30 any project;

31 (5) To exercise the powers conferred upon a "public corporation" or a "public authority"
32 by Article IX, Section III, Paragraph I of the Constitution of Georgia, such authority being
33 expressly declared to be a "public corporation" or a "public authority" within the meaning
34 of such provision of the Constitution of Georgia;

1 (6) To acquire property and projects in its own name by gift or by purchase on such terms
2 and conditions and in such manner as it may deem proper. If the authority shall deem it
3 expedient to construct any project on real property or any interest therein or usufruct which
4 is subject to the control of the city, the city is authorized to convey such real property or
5 interest therein to the authority for no consideration or for such consideration as may be
6 agreed upon by the authority and the city, taking into consideration the public benefit to be
7 derived from such conveyance. The city may transfer such property or interest therein
8 without regard to any determination as to whether or not such property or interest therein
9 is surplus;

10 (7) To accept gifts and bequests for its corporate purposes;

11 (8) To appoint, select, and employ, with or without bidding as the authority may choose,
12 officers, agents, and employees, including engineering, architectural, and construction
13 experts, fiscal agents, underwriters or other advisors, and attorneys, and to fix their
14 compensation;

15 (9) To make and execute with public and private persons and corporations contracts, lease
16 agreements, rental agreements, installment sale agreements, and other instruments relating
17 to its projects and incident to the exercise of the powers of the authority, including
18 contracts for constructing, renting, leasing, and selling its projects for the benefit of the
19 city; and, without limiting the generality of the foregoing, authority is specifically granted
20 to the authority and to the city to enter into contracts, lease agreements, rental agreements,
21 installment sale agreements and related agreements with the authority for a term not
22 exceeding 50 years as provided in Article IX, Section III of the Constitution of the State
23 of Georgia;

24 (10) To lease, sell, transfer, or otherwise dispose of any property, real or personal, or assets
25 of the authority, or to assign its rights under its contracts, lease agreements, or installment
26 sale agreements or its right to receive payments thereunder, either directly or through trust
27 or custodial arrangements whereby interests are created in such contracts, lease agreements,
28 or installment sale agreements or the payments to be received thereunder through the
29 issuance of trust certificates, certificates of participation, custodial receipts, or other similar
30 instruments;

31 (11) To accept loans or grants of money or property of any kind from the United States,
32 the State of Georgia, or any political subdivision of the State of Georgia;

33 (12) To borrow money for any of its corporate purposes and to issue revenue bonds, notes,
34 or other types of indebtedness payable solely from funds or revenues of the authority
35 pledged for that purpose and to pledge and assign any of its revenues, income, rent,
36 charges, and fees to provide for the payment of the same and to provide for the rights of
37 the holders of such revenue bonds;

1 (13) To enter into (A) interest rate swaps, collars, or other types of interest rate
2 management agreements, or (B) credit enhancement or liquidity agreements relating to any
3 obligations of the authority, provided that the obligation of the authority under such
4 agreements shall not be a general obligation of the authority but shall be a limited
5 obligation of the authority payable from a specific source of funds identified for such
6 purpose. The authority shall be exempt from any requirement of Georgia law requiring a
7 swap management plan or other similar plan relating to interest swap agreements;

8 (14) To make such rules and regulations governing its employees and property as it may
9 in its discretion deem proper;

10 (15) To be sued the same as any private corporation on any contractual obligation of the
11 authority. The authority shall have the same rights to sue any other person or entity as any
12 private corporation; and

13 (16) To issue its revenue bonds, notes, or other obligations to finance or refinance any
14 project which may be financed by the city under the Revenue Bond Law of the State of
15 Georgia.

16 SECTION 5.

17 Members of the authority; terms of office.

18 The authority shall consist of six to nine members. Six of the members shall be the persons
19 at the time serving as the five duly elected members of the city council of the City of Villa
20 Rica and the mayor of the City of Villa Rica, who shall be eligible to succeed themselves.
21 The members of the authority shall hold office for terms coinciding with their terms on the
22 city council or his or her term as mayor, respectively, and shall serve until their successors
23 take office. The mayor and council, in their capacities to the city, may nominate and appoint
24 up to three additional members who possess knowledge or experience in matters within the
25 power of the authority. The nonmayor and council members of the authority shall serve
26 one-year terms and are eligible to be reappointed without limitation. In the event that the
27 number of members of the city council is changed, then the number of members of the
28 authority shall be correspondingly changed. Immediately after their official seating on the
29 city council, each member of the authority shall enter upon their duties. A majority of the
30 members of the authority shall constitute a quorum, and no vacancy on the authority shall
31 impair the right of the quorum to exercise all the rights and perform all the duties of the
32 authority and, in every instance, a majority vote of a quorum shall authorize any legal act of
33 the authority, including all things necessary to authorize and issue revenue bonds. The
34 authority shall elect one of its members as chairperson and shall elect a secretary and a
35 treasurer. The secretary and treasurer need not necessarily be a member of the authority.

1 The chairperson shall be a non-voting member of the authority; however, if at any time there
2 are an even number of members on the authority, the chairperson shall only be allowed to
3 vote to break a tie. The authority may elect a vice-chairperson or any number of assistant
4 secretaries or treasurers as it may from time to time deem necessary or desirable. The
5 members of the authority shall not be entitled to compensation for their services, but shall
6 be entitled to and shall be reimbursed for their actual expenses necessarily incurred in the
7 performance of their duties. The authority shall make rules and regulations for its own
8 governance and it shall have perpetual existence. Any change in name or composition of the
9 authority shall in no way affect the vested rights of any person under the provisions of this
10 Act or impair the obligations of any contracts existing under this Act.

11 **SECTION 6.**

12 Issuance and sale of revenue bonds.

13 The authority shall have power and is authorized from time to time to provide for the
14 issuance and sale of negotiable revenue bonds in the manner provided by Article 3 of
15 Chapter 82 of Title 36 of the O.C.G.A., known as the "Revenue Bond Law," for the purpose
16 of paying all or any part of the cost of any one or more projects, including the cost of
17 constructing, reconstructing, equipping, extending, adding to, or improving any such project,
18 or for the purpose of refunding, as herein provided, any such bonds of the authority or any
19 other authority or public body previously issued to finance or refinance the cost of a project.
20 The principal of and interest on such revenue bonds shall be a limited obligation of the
21 authority payable solely from the source or sources of funds specified in the indenture or
22 resolution of the authority authorizing the issuance of such revenue bonds. The revenue
23 bonds of each issue shall be issued and validated under and in accordance with the provisions
24 of the Revenue Bond Law. Such revenue bonds shall mature on such dates, bear interest at
25 such rate or rates, whether fixed or variable, be subject to redemption and have such other
26 terms as the authority may provide in the indenture or resolution relating thereto. Such
27 revenue bonds shall not be subject to any provision of Georgia law limiting the rate of
28 interest payable thereon, and may be sold in a negotiated sale or in a public sale as the
29 authority may determine.

SECTION 7.

Power to incur loans or issue notes.

The authority shall also have the power to incur indebtedness from time to time for the purpose of financing or refinancing any project or refunding any obligations previously issued for such purpose, or for any other purpose, whether in the form of a loan or through the issuance of notes, and the principal of and interest on such notes or loans shall be a limited obligation of the authority payable solely from the source or sources of funds specified in the resolution or indenture of the authority authorizing such loan or the issuance of such notes. Any such loan or notes shall not be required to be validated as a condition to the issuance thereof and shall have such terms as may be specified by the authority in the resolution or indenture authorizing the same.

SECTION 8.

Negotiable instruments; bonds or other obligations exempt from taxation.

All revenue bonds issued under the provisions of this Act shall have all the qualities and incidents of negotiable instruments under the negotiable instruments law of this state. All such bonds, and any loan incurred or note issued as provided in this Act, are declared to be issued or incurred for an essential public and government purpose and such obligations and the interest thereon shall be exempt from all taxation within this state.

SECTION 9.

Revenue bonds or notes not a debt or general obligation.

Revenue bonds or notes issued under the provisions of this Act or any loan incurred as authorized herein shall not constitute a debt or a pledge of the faith and credit of the State of Georgia or of any political subdivision thereof, including the city, but shall be payable solely from the sources as may be designated in the resolution or indenture of the authority authorizing the issuance of the same. The issuance of such obligations shall not directly, indirectly, or contingently obligate the State of Georgia or any political subdivision thereof, including the city, to levy or to pledge any form of taxation whatsoever for the payment thereof. No holder of any bond or receiver or trustee in connection therewith shall have the right to enforce the payment thereof against any property of the State of Georgia or any political subdivision thereof, including the city, nor shall any such bond constitute a charge, lien, or encumbrance, legal or equitable, upon any such property. All such obligations shall contain on their face a recital setting forth substantially the foregoing provisions of this

1 section. Nothing in this section shall be construed to prohibit the State of Georgia or any
2 political subdivision or agency thereof, including the city, from obligating itself to pay the
3 amounts required under any contract entered into with the authority pursuant to Article IX
4 of the Constitution of the State of Georgia or any successor provision, including from funds
5 received from taxes to be levied and collected for that purpose to the extent necessary to pay
6 the obligations contractually incurred by the authority, and from any other source.

7 **SECTION 10.**

8 Issuance of bonds or obligations under indentures or resolutions.

9 In the discretion of the authority, any issuance of such revenue bonds, notes, or other
10 obligations may be secured by a trust indenture by and between the authority and a trustee,
11 which may be any trust company or bank having the powers of a trust company within or
12 outside the State of Georgia. Such trust indenture may pledge or assign fees, tolls, rents,
13 revenues, and earnings to be received by the authority including the proceeds derived from
14 the financing, sale, or lease, from time to time, of any project. Either the resolution
15 providing for the issuance of revenue bonds or other obligations or such trust indenture may
16 contain such provisions for protecting and enforcing the rights and remedies of the owners
17 of such bonds or obligations as may be reasonable and proper and not in violation of law,
18 including covenants setting forth the duties of the authority or any lessee or purchaser in
19 relation to the acquisition and construction of any project, the maintenance, operation, repair,
20 and issuance of any project, and the custody, safeguarding, and application of all moneys,
21 including the proceeds derived from the sale or lease of any project or from the sale of any
22 such bonds, notes, or other obligations and may contain provisions concerning the
23 conditions, if any, upon which additional bonds, notes, or other obligations may be issued,
24 whether on a parity with or subordinate to, any other obligations issued by the authority.
25 Such indenture or resolution may set forth the rights and remedies of the owners of such
26 obligations and of the trustee. In addition to the foregoing, such trust indenture may contain
27 such other provisions as the authority may deem reasonable and proper of the security of the
28 owners of such bonds or other obligations or otherwise necessary or convenient in
29 connection with the issuance of such obligations. All expenses incurred in carrying out such
30 trust indenture may be treated as a part of the cost of maintenance, operation, and repair of
31 the project affected by such indenture.

SECTION 11.

Security of the payment of bonds or other obligations.

The authority may assign or pledge any property or revenues to the payment of the principal and interest on revenue bonds of the authority as the resolution authorizing the issuance of the bonds or the trust indenture may provide. The use and disposition of such property or revenues assigned to the payment of bonds or other obligations shall be subject to the indenture or resolution authorizing the issuance of such revenue bonds or obligations. Any lien created by the authority for the payment of such bonds or obligations may be a first lien or a subordinate lien as the authority may provide, and any such indenture or resolution may provide, at the option of the authority, for the issuance of additional bonds or other obligations sharing any lien on a parity or subordinate lien basis.

SECTION 12.

Refunding bonds or obligations.

The authority is authorized to provide by resolution for the issuance of obligations, whether revenue bonds, notes, or other obligations, for the purpose of refunding any revenue bonds or other obligations issued under the provisions of this Act or under any other provision of Georgia law so long as such bonds or other obligations were issued for a purpose or project for which the authority could issue bonds. The issuance of such refunding bonds or other obligations and all the details thereof, the rights of holders thereof, and the duties of the authority with respect to the same shall be governed by the foregoing provisions of this Act insofar as the same may be applicable.

SECTION 13.

Principal office; venue.

The principal office of the authority shall be in the city, and the venue of any action against it shall be in Carroll County. Any action pertaining to the validation of any bonds issued under the provisions of this Act and for the validation of any contract entered into by the authority shall be brought in the Superior Court of Carroll County, and such court shall have exclusive original jurisdiction of such actions. Service upon the authority of any process, subpoena, or summons shall be effected by serving the same personally upon any member of the authority.

SECTION 14.

Validation of revenue bonds.

Revenue bonds of the authority shall be confirmed and validated in accordance with the procedure now or hereafter set forth in Article 3 of Chapter 82 of Title 36 of the O.C.G.A., known as the "Revenue Bond Law," as the same now exists or may hereafter be amended. The petition for validation shall also make a party defendant to such action the city, if the city has or will contract with the authority with respect to the project for which bonds are to be issued and are sought to be validated. The bonds, when validated, and the judgment of validation shall be final and conclusive with respect to the validity of such bonds against the authority and against all other persons or entities, regardless of whether such persons or entities were parties to such validation proceedings.

SECTION 15.

No impairment of rights.

While any of the bonds or other obligations issued by the authority or any interests in contracts of the authority remain outstanding, the powers, duties, or existence of the authority or of its officers, employees, or agents shall not be diminished or impaired in any manner that will affect adversely the interest and rights of the holders of such bonds or obligations or such interests in contracts of the authority. The provisions of this section of this Act shall be for the benefit of the authority and of the holders of any such bonds or obligations and interests in contracts of the authority and, upon the issuance of bonds or obligations or the creation of interests in contracts of the authority under the provisions of this Act, shall constitute a contract with the holders of such bonds or obligations or such interests in contracts of the authority.

SECTION 16.

Trust funds; permitted investments.

All moneys received by the authority pursuant to this Act, whether as proceeds from the sale of revenue bonds or obligations of the authority, as grants or other contributions, or as revenues, income, fees, and earnings, shall be deemed to be trust funds to be held and applied solely as provided in this Act and in such resolutions and trust indentures as may be adopted and entered into by the authority pursuant to this Act. Any such moneys or funds may be invested from time to time in such investments as may be permitted under the indenture, agreement, or resolution establishing the fund or account in which such funds are held, or if

1 not held in such a fund or account, in such investments as would be permitted for
2 investments of a development authority created under Code Section 36-62-1, et seq., of the
3 O.C.G.A.

4 **SECTION 17.**

5 Power to set rates, fees, and charges.

6 The authority is authorized to prescribe and fix rates, fees, tolls, rents, and charges and to
7 revise, from time to time, and collect such revised rates, fees, tolls, rents, and charges for the
8 services, facilities, or commodities furnished, including leases, concessions, and subleases
9 of its projects, and to determine the price and terms at and under which its projects may be
10 sold, leased, or otherwise disposed of. The authority may establish in its discretion
11 procedures for contracting for any work done for the authority or for the acquisition, sale,
12 transfer, or lease of any property, real or personal, of the authority.

13 **SECTION 18.**

14 Essential governmental function; no taxes or assessments.

15 All property or interests in property owned by the authority shall be public property held and
16 owned for governmental purposes and shall be exempt from ad valorem taxation. The
17 exercise of the powers conferred upon the authority hereunder shall constitute an essential
18 governmental function for a public purpose and the authority shall be required to pay no
19 taxes or assessments upon any of the property acquired by it or under its jurisdiction, control,
20 possession, or supervision or upon its activities in the operation and maintenance of property
21 acquired by it or of buildings acquired or erected by it or any fees, rentals, or other charges
22 for the use of such property or buildings or other income received by the authority. The tax
23 exemption herein provided shall not include an exemption from sales and use tax on property
24 purchased by or for the use of the authority.

25 **SECTION 19.**

26 Immunity of authority and members.

27 The authority shall have the same immunity and exemption from liability for torts and
28 negligence as the City of Villa Rica; and the officers, agents, and employees of the authority,
29 when in the performance of the work of the authority, shall have the same immunity and
30 exemption from liability for torts and negligence as the officers, agents, and employees of
31 the City of Villa Rica.

SECTION 20.

Authority property not subject to levy and sale.

The property of the authority shall not be subject to levy and sale under legal process.

SECTION 21.

Authority area of operation.

The scope of the authority's operations shall be limited to the territory embraced within the territorial limits of the city, as the same now or may hereafter exist; provided, however, that nothing in this section shall prevent the authority from contracting with any entity, public or private, outside of the city with respect to any project located in the city, or located outside of the city, if the authority shall determine that entering into such contract is in the best interest of the authority and in furtherance of its public purposes.

SECTION 22.

Supplemental powers.

This Act does not in any way take away from the authority any power which may be conferred upon it by law but is supplemental thereto.

SECTION 23.

No power to impose taxes.

The authority shall not have the right to impose any tax on any person or property.

SECTION 24.

Act to be liberally construed.

This Act shall be liberally construed to effect the purposes hereof.

SECTION 25.

Severability of provisions.

Should any sentence, clause, phrase, or part of this Act be declared for any reason to be unconstitutional or invalid, the same shall not affect the remainder of this Act, or any part hereof, other than the part so held to be invalid, but the remaining provisions of this Act shall remain in full force and effect, and it is the express intention of this Act to enact each provision of this Act independently of any other provision hereof.

SECTION 26.

Effective date.

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

SECTION 27.

Conflicting laws.

All laws and parts of laws in conflict with this Act are, to the extent of such conflict, repealed.