

House Bill 1304

By: Representatives Hatfield of the 177th, Chambers of the 81st, Reese of the 98th, Barnard of the 166th, Scott of the 153rd, and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 36 of the Official Code of Georgia Annotated, relating to local government,
2 so as to revise provisions relating to conduct of members of development authorities,
3 downtown development authorities, and other local authorities as it relates to conflicts of
4 interest; to provide for related matters; to repeal conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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

7 Title 36 of the Official Code of Georgia Annotated, relating to local government, is amended
8 by revising subsection (e) of Code Section 36-62-5, relating to directors, officers,
9 compensation, adoption of bylaws, delegation of powers and duties, conflicts of interest, and
10 audits relative to development authorities, as follows:

11 "(e)(1)(A) The provisions of Code Section 45-10-3 shall apply to all directors of the
12 authority, and a director of the authority shall not engage in any transaction with the
13 authority.

14 ~~(B) The provisions of paragraph (9) of Code Section 45-10-3 and subparagraph (A) of~~
15 ~~this paragraph shall be deemed to have been complied with and the authority may~~
16 ~~purchase from, sell to, borrow from, loan to, contract with, or otherwise deal with any~~
17 ~~director or any organization or person with which any director of the authority is in any~~
18 ~~way interested or involved, provided (1) that any interest or involvement by such~~
19 ~~director is disclosed in advance to the directors of the authority and is recorded in the~~
20 ~~minutes of the authority, (2) that no director having a substantial interest or~~
21 ~~involvement may be present at that portion of an authority meeting during which~~
22 ~~discussion of any matter is conducted involving any such organization or person, and~~
23 ~~(3) that no director having a substantial interest or involvement may participate in any~~
24 ~~decision of the authority relating to any matter involving such organization or person.~~
25 ~~As used in this subsection, a 'substantial interest or involvement' shall mean any interest~~
26 ~~or involvement which reasonably may be expected to result in a direct financial benefit~~

27 to such director as determined by the authority, which determination shall be final and
 28 not subject to review.

29 ~~(2) Nothing contained in paragraph (1) of this subsection or in Code Section 45-10-3~~
 30 ~~shall be deemed to prohibit any director who is present at any meeting or who participates~~
 31 ~~in any decision of the authority from providing legal services in connection with any of~~
 32 ~~the undertakings of the authority or from being paid for such services."~~

33 **SECTION 2.**

34 Said title is further amended by revising Code Section 36-62A-1, relating to ethics and
 35 conflicts of interest regarding members of local authorities, as follows:

36 "36-62A-1.

37 ~~(a)(1)~~ All directors and members of any downtown development authority created
 38 pursuant to Chapter 42 of this title, known as the 'Downtown Development Authorities
 39 Law,' or of any authority created by or pursuant to a local constitutional amendment,
 40 whether for the purpose of promoting the development of trade, commerce, industry, and
 41 employment opportunities or for other purposes, to the extent that the Constitution of
 42 Georgia authorizes the General Assembly by law to define further and to enlarge or
 43 restrict the powers and duties of any such authority created by or pursuant to a local
 44 constitutional amendment shall comply with the provisions of Code Section 45-10-3,
 45 relating to a code of ethics of members of boards, commissions, and authorities and shall
 46 not engage in any transaction with the authority.

47 ~~(2) The provisions of paragraph (9) of Code Section 45-10-3 and of paragraph (1) of this~~
 48 ~~subsection shall be deemed to have been complied with and any such authority may~~
 49 ~~purchase from, sell to, borrow from, loan to, contract with, or otherwise deal with any~~
 50 ~~director or member or any organization or person with which any director or member of~~
 51 ~~said authority is in any way interested or involved, provided (1) that any interest or~~
 52 ~~involvement by such director or member is disclosed in advance to the directors or~~
 53 ~~members of the authority and is recorded in the minutes of the authority, (2) that no~~
 54 ~~director having a substantial interest or involvement may be present at that portion of an~~
 55 ~~authority meeting during which discussion of any matter is conducted involving any such~~
 56 ~~organization or person, and (3) that no director having a substantial interest or~~
 57 ~~involvement may participate in any decision of the authority relating to any matter~~
 58 ~~involving such organization or person. As used in this subsection, a 'substantial interest~~
 59 ~~or involvement' shall mean any interest or involvement which reasonably may be~~
 60 ~~expected to result in a direct financial benefit to such director or member as determined~~
 61 ~~by the authority, which determination shall be final and not subject to review.~~

62 ~~(b) Nothing contained in subsection (a) of this Code section or in Code Section 45-10-3~~
63 ~~shall be deemed to prohibit any director who is present at any decision of the authority~~
64 ~~from providing legal services in connection with any of the undertakings of the authority~~
65 ~~or from being paid for such services."~~

66 **SECTION 3.**

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