

House Bill 553

By: Representatives Lunsford of the 110<sup>th</sup>, Butler of the 18<sup>th</sup>, Stephens of the 164<sup>th</sup>, Millar of the 79<sup>th</sup>, Harbin of the 118<sup>th</sup>, 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 provide for comprehensive regulation of local government equipment financing; to  
3 provide for a short title; to provide for legislative purposes; to provide for definitions; to  
4 create the Local Government Equipment Financing Authority; to provide for members,  
5 qualifications, officers, meetings, and procedures; to provide for powers, duties, and  
6 authority of the authority; to provide for procedures, conditions, and limitations; to provide  
7 for certain bonds, notes, certificates, bond anticipation notes, and other evidences of  
8 indebtedness; to provide for nonapplicability of certain general laws; to provide for certain  
9 tax exempt status of the authority, authority property, and authority activities; to provide for  
10 cumulative effect of the foregoing; to provide for liberal construction of the foregoing; to  
11 provide for related matters; to provide for an effective date; to repeal conflicting laws; and  
12 for other purposes.

13 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

14 **SECTION 1.**

15 Title 36 of the Official Code of Georgia Annotated, relating to local government, is amended  
16 by adding a new chapter to read as follows:

17 "CHAPTER 93

18 36-93-1.

19 This chapter shall be known and may be cited as the 'Local Government Equipment  
20 Financing Authority Act.'

21 36-93-2.

22 The purpose of this chapter shall be to provide a mechanism through which local  
23 governments may lease or purchase on an installment basis equipment at lower than  
24 prevailing costs and to make this mechanism available to the largest number of local  
25 governments feasible.

26 36-93-3.

27 As used in this chapter, the term:

28 (1) 'Authority' means the Local Government Equipment Financing Authority created by  
29 this chapter and any successor or successors thereto. Any change in name or composition  
30 of the authority shall in no way affect the vested rights of any person under this chapter.

31 (2) 'Bond' or 'bonds' means revenue bonds, notes, interim certificates, bond anticipation  
32 notes, and other evidences of indebtedness of the authority issued under this chapter.

33 (3) 'Cost' as applied to equipment financed under this chapter includes:

34 (A) The cost and the incidental and related costs of the acquisition, repair, restoration,  
35 reconditioning, refinancing, or installation of equipment;

36 (B) The cost of any property interest in equipment, including an option to purchase a  
37 leasehold interest;

38 (C) The cost of architectural, engineering, legal, trustee, underwriting, and related  
39 services; the cost of the preparation of plans, specifications, studies, surveys, and  
40 estimates of cost; and all other expenses necessary or incident to planning, providing,  
41 or determining the need for or the feasibility and practicability of equipment;

42 (D) The cost of financing charges, including premiums or prepayment penalties and  
43 interest, accrued before the acquisition and installation or refinancing of such  
44 equipment and for up to three years after such acquisition and installation or  
45 refinancing;

46 (E) The costs paid or incurred in connection with the financing of equipment, including  
47 out-of-pocket expenses, the cost of any policy of insurance or other credit enhancement,  
48 the cost of printing, engraving, and reproduction services, and the cost of the initial or  
49 acceptance fee of any trustee or paying agent;

50 (F) The costs of the authority incurred in connection with providing equipment,  
51 including reasonable sums to reimburse the authority for time spent by its agents or  
52 employees in providing and financing equipment; and

53 (G) The costs paid or incurred for the administration of any program for the financing  
54 or refinancing of equipment by the authority and any program for the installment sale  
55 or lease of equipment to any participating local government unit.

56 (4) 'Equipment' means any fixture or personal property that is determined by the  
57 authority to be necessary or desirable for the efficient operation of any participating local  
58 government, regardless of whether such property is in existence at the time of, or is to be  
59 provided after the making of, such finding.

60 (5) 'Participating local government' means a municipality, county, consolidated  
61 government, school district, or other political subdivision that contracts under this chapter  
62 with the authority for the installment purchase or lease of equipment.

63 36-93-4.

64 (a) There is created, with such duties and powers as are set forth in this chapter, a public  
65 body corporate and politic, not a state agency but an instrumentality of purely public  
66 charity performing an essential governmental function, to be known as the Local  
67 Government Equipment Financing Authority. The authority shall be exempt from the  
68 provisions of Article 2 of Chapter 17 of Title 50 and Code Sections 45-15-13 through  
69 45-15-16.

70 (b) The authority shall be governed by an initial board of directors who shall be the same  
71 persons who are municipal elected officials serving as members of the board of trustees of  
72 a municipal interlocal risk management agency formed and operational prior to January 1,  
73 2009, pursuant to Code Section 36-85-3. Two of the trustees shall serve a term on the  
74 board of directors expiring January 1, 2011; two of the trustees shall serve a term on the  
75 board of directors expiring January 1, 2012; and one of the trustees shall serve a term on  
76 the board of directors expiring January 1, 2013. Thereafter, each member shall be  
77 appointed for a four-year term, and vacancies in office shall be filled by majority vote of  
78 the remaining members of the board of directors. Each member of the board of directors  
79 shall be an elected member of a governing authority of a Georgia municipal corporation  
80 and, if such member ceases to be an elected member of a governing authority of a Georgia  
81 municipal corporation, such member's seat on the board shall be declared vacant and filled  
82 by majority vote of the remaining members of the board.

83 (c) The members shall elect a chairperson, a vice chairperson, and other officers. The  
84 members shall not be compensated for their services, but they shall be reimbursed for their  
85 actual and necessary expenses as determined by the authority.

86 (d) A majority of the members of the authority shall constitute a quorum for the  
87 transaction of business. The vote of at least a majority of the members present at any  
88 meeting at which a quorum is present is necessary for any action to be taken by the  
89 authority. No vacancy in the membership of the authority shall impair the right of a  
90 quorum to exercise all rights and perform all duties of the authority.

91 (e) Meetings of the members of the authority shall be held at the call of the chairperson or  
 92 whenever any two members so request. The members shall meet at least once each year.  
 93 (f) The authority shall be authorized to contract with Georgia Municipal Association, Inc.,  
 94 or its successors or other state-wide organization representing the municipalities of this  
 95 state to provide an administrative staff and clerical services and to assist in the management  
 96 of the routine affairs of the authority, including the originating and processing of any  
 97 applications from participating local governments for the lease or purchase from the  
 98 authority of equipment and to service the leases and installment purchase contracts between  
 99 the authority and the participating local governments. The administrative staff shall  
 100 include an executive director who shall serve as the ex officio secretary of the authority.  
 101 The executive director may be an employee of the Georgia Municipal Association, Inc., or  
 102 its successors or other state-wide organization representing the municipalities of this state.  
 103 (g) The executive director shall attend the meetings of the members of the authority, shall  
 104 keep a record of the proceedings of the authority, and shall maintain all books, documents,  
 105 and papers filed with the authority, the minutes of the authority, and its official seal. He  
 106 or she may cause copies to be made of all minutes and other records and documents of the  
 107 authority and may give certificates under seal of the authority to the effect that such copies  
 108 are true copies, and all persons dealing with the authority may rely upon such certificates.  
 109 If the executive director is unable to attend a meeting of the members of the authority, the  
 110 members of the authority shall designate a member of the authority or an employee of the  
 111 entity referred to in subsection (f) of this Code section as the person responsible for  
 112 carrying out the duties of the executive director set out in this Code section.

113 36-93-5.

114 The authority is granted all powers necessary to carry out and effectuate its public and  
 115 corporate purposes, including but not limited to the following powers:

- 116 (1) To have perpetual succession as a public body corporate and politic and an  
 117 independent public instrumentality exercising essential public functions;  
 118 (2) To adopt, amend, and repeal bylaws and rules consistent with this chapter to regulate  
 119 its affairs; to carry into effect its powers and purposes; and to conduct its business;  
 120 (3) To sue and be sued in its own name;  
 121 (4) To have an official seal;  
 122 (5) To maintain an office in Georgia;  
 123 (6) To make and execute contracts and all other instruments necessary or convenient for  
 124 the performance of its duties and the exercise of its powers and functions under this  
 125 chapter;

126 (7) To employ architects, engineers, independent legal counsel, inspectors, accountants,  
127 and financial experts and such other advisers, consultants, and agents as may be  
128 necessary in its judgment without the approval or consent of any other public official and  
129 to fix their compensation;

130 (8) To procure insurance against any loss in connection with its property and other assets  
131 in such amounts and from such insurers as it considers advisable and to pay premiums  
132 on any such insurance;

133 (9) To procure insurance, guarantees, or other credit enhancement from any public or  
134 private entities, including any department, agency, or instrumentality of the United States,  
135 to secure payment:

136 (A) On a lease or installment purchase payment owed by a participating local  
137 government to the authority; or

138 (B) Of any bonds issued by the authority

139 and to pay premiums on any such insurance, guarantee, or other credit enhancement;

140 (10) To procure letters of credit or other credit or liquidity facilities or agreements from  
141 any national or state banking association or other entity authorized to issue a letter of  
142 credit or other credit or liquidity facilities or agreements to secure the payment of any  
143 bonds issued by the authority or to secure the payment of any lease or installment  
144 purchase payment owed by a participating local government to the authority; and to pay  
145 the cost of obtaining such letter of credit or other credit or liquidity facilities or  
146 agreements;

147 (11) To receive and accept from any source any money, property, or thing of value to  
148 be held, used, and applied to carry out the purpose of this chapter, subject to the  
149 conditions upon which the grants or contributions are made, including gifts or grants from  
150 any department, agency, or instrumentality of the United States or the State of Georgia  
151 for any purpose consistent with this chapter;

152 (12) To provide, or cause to be provided by a participating local government, by  
153 acquisition, lease, fabrication, repair, restoration, reconditioning, refinancing, or  
154 installation, equipment to be located within Georgia;

155 (13) To lease as lessor any item of equipment for such rentals and upon such terms and  
156 conditions as the authority considers advisable and which are not in conflict with this  
157 chapter;

158 (14) To sell by installment or otherwise, to sell by option or contract for sale, and to  
159 convey all or any part of any item of equipment for such price and upon such terms and  
160 conditions as the authority considers advisable and which are not in conflict with this  
161 chapter;

162 (15) To make contracts and incur liabilities, borrow money at such rates of interest as the  
163 authority determines, issue its bonds in accordance with this chapter, and secure any of  
164 its bonds or obligations by an assignment or pledge of all or any part of its property,  
165 contract rights, and income or as otherwise provided in this chapter;

166 (16) To purchase, receive, lease as lessee or lessor, or otherwise acquire, own, hold,  
167 improve, use, or otherwise deal in and with equipment, or any interest therein, wherever  
168 situated;

169 (17) To sell, convey, hypothecate, pledge, assign, lease, exchange, transfer, and  
170 otherwise dispose of all or any part of its property and assets;

171 (18) To charge to and apportion among participating local governments its administrative  
172 costs and expenses incurred in the exercise of the powers and duties conferred by this  
173 chapter;

174 (19) To collect fees and charges, as the authority determines to be reasonable, in  
175 connection with its leases, sales, advances, insurance, commitments, and servicing;

176 (20) To cooperate with and exchange services, personnel, and information with any  
177 federal, state, or local governmental agency;

178 (21) To sell or assign its rights under its leases, installment purchase contracts, or other  
179 contracts or its right to receive payments thereunder, either directly or through trust or  
180 custodial arrangements whereby interests are created in such leases, installment purchase  
181 contracts, or other contracts, or the payments to be received thereunder through the  
182 issuance of trust certificates, certificates of participation, custodial receipts, or other  
183 similar instruments; and

184 (22) Subject to any agreement with bondholders, to invest moneys of the authority not  
185 required for immediate use to carry out the purposes of this chapter, including the  
186 proceeds from the sale of any bonds and any moneys held in reserve funds, in the  
187 following obligations and no others:

188 (A) Bonds or other obligations of this state or bonds or other obligations the principal  
189 and interest of which are guaranteed by this state;

190 (B) Bonds or other obligations of the United States or of subsidiary corporations of the  
191 United States government fully guaranteed by such government;

192 (C) Obligations of agencies of the United States government issued by the Federal  
193 Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, and  
194 the Bank for Cooperatives;

195 (D) Bonds or other obligations issued by any public housing agency or municipality  
196 in the United States, which bonds or obligations are fully secured as to the payment of  
197 both principal and interest by a pledge of annual contributions under an annual  
198 contributions contract or contracts with the United States government, or project notes

199 issued by any public housing agency, urban renewal agency, or municipality in the  
200 United States and fully secured as to payment of both principal and interest by a  
201 requisition, loan, or payment agreement with the United States government;

202 (E) Certificates of deposit of national or state banks located within this state that have  
203 deposits insured by the Federal Deposit Insurance Corporation and certificates of  
204 deposit of federal savings and loan associations and state building and loan or savings  
205 and loan associations located within this state that have deposits insured by the Savings  
206 Association Insurance Fund of the Federal Deposit Insurance Corporation, including  
207 the certificates of deposit of any bank, savings and loan association, or building and  
208 loan association acting as depository, custodian, or trustee for any such funds; provided,  
209 however, that the portion of such certificates of deposit in excess of the amount insured  
210 by the Federal Deposit Insurance Corporation or the Savings Association Insurance  
211 Fund of the Federal Deposit Insurance Corporation, if any such excess exists, shall be  
212 secured by deposit with the Federal Reserve Bank of Atlanta, Georgia, the Federal  
213 Home Loan Bank of Atlanta, Georgia, or any national or state bank located within this  
214 state, of one or more of the securities described in subparagraphs (A), (B), (C), or (D)  
215 of this paragraph, in an aggregate principal amount equal at least to the amount of such  
216 excess; and

217 (F) Repurchase agreements, forward delivery agreements, or other similar banking  
218 arrangements with respect to securities described in subparagraphs (A), (B), (C), or (D)  
219 of this paragraph with a bank or trust company having capital and surplus aggregating  
220 at least \$50 million, with any government bond dealer reporting to, trading with, and  
221 recognized as a primary dealer by the Federal Reserve Bank of New York having  
222 capital aggregating at least \$50 million, or with any corporation that is subject to  
223 registration with the Board of Governors of the Federal Reserve System pursuant to the  
224 requirements of the Bank Holding Company Act of 1956, provided that each such  
225 repurchase agreement, forward delivery agreement, or other similar banking  
226 arrangement shall permit the moneys so placed to be available for use at the time  
227 provided with respect to the investment or reinvestment of such moneys.

228 36-93-6.

229 (a) The authority may initiate one or more programs of providing equipment to be  
230 purchased or leased by participating local governments. In furtherance of this objective,  
231 the authority may also:

232 (1) Establish eligibility standards for participating local governments, provided that such  
233 standards shall encourage maximum feasible participation for participating local  
234 governments;

235 (2) Contract with any entity securing or enhancing the payment of bonds, authorizing the  
 236 entity to approve the participating local governments that can lease or purchase  
 237 equipment financed with proceeds of bonds secured or enhanced by that entity;

238 (3) Lease to a participating local government specific items of equipment upon terms and  
 239 conditions that the authority considers proper, charge and collect rents therefor, and  
 240 include in any such lease provisions that the lessee has the option to purchase any or all  
 241 of the equipment to which the lease applies;

242 (4) Sell to a participating local government unit under any installment purchase contract  
 243 specific items of equipment upon such terms and conditions as the authority considers  
 244 proper;

245 (5) Sell or otherwise dispose of any unneeded or obsolete equipment under terms and  
 246 conditions as determined by the authority;

247 (6) Maintain, repair, replace, and otherwise improve or cause to be maintained, repaired,  
 248 replaced, and otherwise improved any equipment owned by the authority;

249 (7) Obtain or aid in obtaining property insurance on all equipment owned or financed or  
 250 accept payment if any equipment is damaged or destroyed; and

251 (8) Enter into any agreement, contract, or other instrument for any insurance, guarantee,  
 252 or letter of credit accepting payment in such manner and form as provided therein if a  
 253 participating local government defaults and assign any such insurance, guarantee, or letter  
 254 of credit as security for bonds issued by the authority.

255 (b) Before exercising any of the powers conferred by subsection (a) of this Code section,  
 256 the authority may:

257 (1) Require that the lease or installment purchase contract involved be insured by a  
 258 financial guaranty insurer, be credit enhanced by a credit enhancer, or be secured by a  
 259 letter of credit; or

260 (2) Require any other type of security from the participating local governments that it  
 261 considers reasonable and necessary.

262 36-93-7.

263 (a) The authority may issue, sell, and deliver its bonds, in accordance with this chapter, for  
 264 the purpose of paying for all or any part of the cost of equipment, to finance the acquisition  
 265 of equipment for lease or sale to participating local governments, and for any other  
 266 purposes authorized by this chapter.

267 (b) The bonds may be issued as serial bonds or as term bonds or a combination of each in  
 268 one or more series and shall bear such date or dates, mature at such time or times, not  
 269 exceeding 30 years from their respective dates of issue, bear interest at such fixed or  
 270 variable rates without regard to any limitations contained in any other statute or laws of this

271 state, bear interest at different rates, and mature at different dates within a series, bear  
272 interest at one or more variable or fixed rates within a series, and may be converted from  
273 such variable rate or rates to a fixed rate or rates, or may be converted from such fixed rate  
274 or rates to a variable rate or rates from time to time, be payable at such time or times, be  
275 in such denominations, be in such form, either coupon or fully registered, carry such  
276 registration and conversion privileges, have such rank or priority, be payable in lawful  
277 money of the United States at such places, within or outside this state, and be subject to  
278 such terms of redemption and tender for purchase as such bond resolution may provide.

279 (c) All revenue bonds issued by the authority shall be subject to validation in accordance  
280 with Article 3 of Chapter 82 of Title 36, known as the 'Revenue Bond Law.' Notes and  
281 other types of obligations of the authority shall not be required to be so validated. All  
282 proceedings to validate revenue bonds of the authority shall be held in the Superior Court  
283 of Fulton County, and judgments of validation obtained in the manner set forth in such  
284 chapter shall be forever conclusive upon the validity of such bonds and the security for  
285 such bonds as therein provided. The petition and complaint for validation may also make  
286 party defendant to such action any participating local government that has contracted with  
287 the authority in connection with the issuance of the revenue bonds or regarding the manner  
288 in which such bonds are to be secured; and such participating local government shall be  
289 required to show cause, if any exists, why such contract and the terms and conditions  
290 thereof should not be inquired into by the court, the validity of the terms thereof  
291 determined, and the contract adjudicated as a binding obligation of the participating local  
292 government for the security of any such bonds of the authority. The revenue bonds when  
293 validated and the judgment of validation shall be final and conclusive with respect to such  
294 bonds against the authority, any parties to the validation proceedings, or any persons who  
295 might properly have become parties to such proceedings. The certificate of validation,  
296 however, may be signed with the facsimile or manually executed official signature of the  
297 clerk or deputy clerk of the Superior Court of Fulton County.

298 (d) The authority may sell its bonds in such manner and for such price, at public or private  
299 sale, as it may determine to be in the best interest of the authority. Prior to the preparation  
300 of definitive bonds, the authority may, under like restrictions, issue interim certificates or  
301 receipts or temporary bonds for definitive bonds upon issuance of the latter. The authority  
302 may also provide for the replacement of any bonds that shall become mutilated or be  
303 stolen, destroyed, or lost.

304 (e) The bonds shall be signed by the chairperson of the authority, and the corporate seal  
305 of the authority shall be thereunto impressed, imprinted, or otherwise reproduced and  
306 attested by the signature of the secretary of the authority. The coupons, if any, shall be  
307 signed in such manner as may be directed by the authority. The signatures of the officers

308 of the authority and the seal of the authority upon any bond issued by the authority may be  
309 by facsimile if the instrument is manually authenticated or countersigned by a trustee other  
310 than the authority itself or an officer or employee of the authority. All bonds issued under  
311 the authority of this chapter bearing signatures or facsimiles of the signatures of officers  
312 of the authority in office on the date of the signing thereof shall be valid and binding,  
313 notwithstanding that before the delivery thereof and payment therefor such officers whose  
314 signatures appear thereon shall have ceased to be officers of the authority.

315 (f) The authority may provide for the issuance of bonds of the authority for the purpose  
316 of refunding any bonds of the authority then outstanding, including the payment of any  
317 redemption premium thereon and any interest accrued or to accrue to the earliest or any  
318 subsequent date of redemption, purchase, or maturity of such bonds, and, if considered  
319 advisable by the authority, for the additional purpose of paying all or any part of the cost  
320 of equipment.

321 (g) The proceeds of any bonds issued for the purpose of refunding outstanding bonds may,  
322 in the discretion of the authority, be applied to the purchase or retirement at maturity or  
323 redemption of such outstanding bonds either on their earliest or any subsequent redemption  
324 date or upon the purchase or at the maturity thereof and may, pending such application, be  
325 placed in escrow to be applied to such purchase or retirement at maturity or redemption on  
326 such date as may be determined by the authority. Subject to the provisions of any trust  
327 indenture to the contrary, any such escrowed proceeds, pending such use, may be invested  
328 and reinvested in such obligations specified in paragraph (22) of Code Section 36-93-5 as  
329 are determined by the authority in order to assure the prompt payment of the principal and  
330 interest and redemption premium, if any, on the outstanding bonds to be so refunded. The  
331 interest, income, and profits, if any, earned or realized on any such investment may also  
332 be applied to the payment of the outstanding bonds to be so refunded. Only after the terms  
333 of the escrow have been fully satisfied and carried out shall any balance of such proceeds  
334 and interest, income, and profits, if any, earned or realized on the investments thereof be  
335 returned to the authority or the participating local governments for use by them in any  
336 lawful manner.

337 (h) The proceeds of the bonds, other than refunding bonds, of each series shall be used for  
338 the payment of all or part of the cost of the equipment for which such bonds have been  
339 authorized and, at the option of the authority, for the deposit to a reserve fund or reserve  
340 funds for the bonds; however, the authority may be paid, out of proceeds of the sale and  
341 delivery of its bonds issued in accordance with this chapter, all of the authority's  
342 out-of-pocket expenses and costs in connection with the issuance, sale, and delivery of such  
343 bonds and the costs of obtaining insurance, guarantees, other credit enhancement, and  
344 letters of credit securing payment of the bonds and the lease and the installment purchase

345 payments, plus an amount equal to the compensation paid to any employees or agents of  
346 the authority for the time those employees or agents have spent on activities relating to the  
347 issuance, sale, and delivery of the bonds. Bond proceeds shall be disbursed in the manner  
348 and under the restrictions determined by the authority.

349 36-93-8.

350 (a) The bonds may be secured by a trust indenture by and between the authority and a  
351 corporate trustee, which may be any bank having the power of a trust company, or any trust  
352 company. The trust indenture may contain such provisions for protecting and enforcing  
353 the rights and remedies of the holders of the bonds as may be reasonable and proper and  
354 not in violation of law, including covenants setting forth the duties of the authority in  
355 relation to the exercise of its powers and the custody, investing, safekeeping, and  
356 application of all money. The authority may provide by the trust indenture for the payment  
357 of the proceeds of the bonds and any lease or installment purchase payments to the trustee  
358 under the trust indenture or other depository and for the method of disbursement thereof  
359 with such safeguards and restrictions as the authority may determine. All expenses  
360 incurred in carrying out the trust indenture may be treated as a part of the operating  
361 expenses of the authority.

362 (b)(1) Any bond resolution or related trust indenture may contain the following  
363 provisions, which must be a part of the contract with the holders of the bonds to be  
364 authorized:

365 (A) Pledging or assigning the lease or installment purchase payments made for the  
366 equipment or pledging or assigning the contract rights under the leases or installment  
367 purchase contracts with the participating local governments whose equipment has been  
368 financed with the proceeds of such bonds or other specified revenues or property of the  
369 authority;

370 (B) The rentals, installment purchase payments, fees, and other amounts to be charged  
371 by the authority, the schedule of payments, the sums to be raised in each year thereby,  
372 and the use, investment, and disposition of such sums;

373 (C) Setting aside any reserves or sinking funds and the regulation, investment, and  
374 disposition thereof;

375 (D) Limitation on the use of the equipment;

376 (E) Limitations on the purpose for which or the investments in which the proceeds of  
377 sale of any series of bonds then or thereafter may be applied;

378 (F) Limitations on the issuance of additional bonds, terms upon which additional bonds  
379 may be issued and secured, and the terms upon which additional bonds may rank on a  
380 parity with, or be subordinate or superior to, other bonds;

381 (G) The refunding of outstanding bonds;

382 (H) The procedure, if any, by which the terms of any contract with holders of the bonds  
 383 may be amended or abrogated, the amounts of bonds the holders of which must consent  
 384 thereto, the manner in which such consent may be given, and restrictions on the  
 385 individual rights of action by holders of the bonds;

386 (I) Acts or omissions that constitute a default in the duties of the authority to holders  
 387 of its bonds and providing the rights and remedies of such holders in the event of  
 388 default; and

389 (J) Any other matters relating to the bonds that the authority considers desirable.

390 (2) Bonds of the authority may also be secured by and payable from a pooling of leases  
 391 or of installment purchase contracts whereby the authority may assign its rights, as lessor,  
 392 and pledge rents under two or more leases of equipment with two or more participating  
 393 local governments, as lessees, or assign its rights as seller and pledge the installment  
 394 purchase payments under two or more installment purchase contracts of equipment with  
 395 two or more participating local governments, as purchasers, upon such terms as may be  
 396 provided for in bond resolutions, trust indentures, or other instruments under which such  
 397 bonds are issued.

398 (c) Every series of bonds is payable solely out of revenues, assets, or money of the  
 399 authority as the authority determines, subject only to any agreements with the holders of  
 400 particular bonds pledging any particular money or revenue. The bonds may be additionally  
 401 secured by a pledge of any grant, contribution, or guarantee from the federal government  
 402 or any corporation, association, institution, or person or a pledge of any money, income,  
 403 or revenue of the authority from any source.

404 36-93-9.

405 Neither the members of the authority nor any person executing bonds on behalf of the  
 406 authority shall be personally liable thereon by reason of the issuance thereof.

407 36-93-10.

408 Bonds issued under this chapter shall not be deemed to constitute a debt or pledge of the  
 409 faith and credit of this state or any political subdivision or municipal corporation thereof  
 410 within the meaning of any provision of the Constitution or laws of this state. Bonds issued  
 411 by the authority shall not directly, indirectly, or contingently obligate this state or any of  
 412 its political subdivisions or municipal corporations to levy or to pledge any form of  
 413 taxation whatever therefor or to make any appropriation for the payment thereof; and all  
 414 such bonds or other obligations of the authority shall contain recitals on their face covering  
 415 substantially the foregoing provisions of this Code section.

416 36-93-11.

417 The creation of the authority and the carrying out of its corporate purposes is in all respects  
418 for the benefit of the people of this state and is a public purpose, and the authority will be  
419 performing an essential governmental function in the exercise of the power conferred upon  
420 it by this chapter; the state covenants with the holders of the bonds and any interest  
421 coupons appertaining thereto that the authority shall be required to pay no taxes or  
422 assessments imposed by the state or any of its counties, municipal corporations, political  
423 subdivisions, or taxing districts upon any of the property acquired or leased or sold by it  
424 or under its jurisdiction, control, possession, or supervision or upon its activities in the  
425 operation or maintenance of the equipment acquired by it or upon any fees, rentals,  
426 charges, or purchase price, received in installments or otherwise, pertaining to such  
427 equipment or upon other income received by the authority; that the bonds of the authority,  
428 their transfer, and the interest and income therefrom shall at all times be exempt from  
429 taxation within this state; and that the recording of any indenture or security agreement by  
430 the authority shall be exempt from recording taxes and fees and from intangibles tax. The  
431 tax exemption provided in this Code section shall not include any exemption from sales or  
432 use tax on property purchased by the authority or for use by the authority, except that the  
433 authority shall be entitled to such exemption with respect to property as is available to the  
434 participating local government unit pursuant to Article 1 of Chapter 8 of Title 48.

435 36-93-12.

436 While any of the bonds issued by the authority remain outstanding, the powers, duties, or  
437 existence of the authority or of any of its officers shall not be diminished or impaired in any  
438 manner that will affect adversely the interest and right of the holders of such bonds. This  
439 chapter shall be for the benefit of the holders of any such bonds and, upon the issuance of  
440 the bonds as provided in this chapter, such provisions shall constitute a contract with the  
441 holders of such bonds. The provisions of any bond resolution, indenture, or trust  
442 agreement shall be a contract with every holder of such bonds, and the duties of the  
443 authority under any such bond resolution, indenture, or trust agreement shall be enforceable  
444 by any bondholder by mandamus or other appropriate action or proceeding at law or in  
445 equity.

446 36-93-13.

447 All moneys received by the authority pursuant to this chapter, whether as grants or other  
448 contributions or as revenues, rents, installment purchase payments, and earnings, shall be  
449 held in trust and applied solely as provided for in this chapter.

450 36-93-14.

451 The authority may hold title to any equipment financed by it but shall not be required to  
452 do so.

453 36-93-15.

454 The authority's legal situs or residence for the purpose of this chapter shall be Fulton  
455 County. Any action to protect or enforce any rights under this chapter, including the  
456 validation of revenue bonds issued by the authority as permitted in this chapter, shall be  
457 brought in the Superior Court of Fulton County, and such court shall have exclusive  
458 original jurisdiction of all such actions.

459 36-93-16.

460 Nothing in this chapter may be construed as a restriction or limitation upon any powers that  
461 the authority might otherwise have under any other law of this state, and this chapter is  
462 cumulative to such powers. This chapter shall be construed to provide a complete,  
463 additional, and alternative method for the doing of the things authorized and shall be  
464 construed as supplemental to powers conferred by any other laws. The adoption by the  
465 authority of bylaws and rules and the issuance of bonds by the authority under this chapter  
466 need not comply with the requirements of any other state laws applicable to the adoption  
467 of bylaws and rules and the issuance of bonds, notes, and other obligations. No  
468 proceedings, notice, or approval is required for the issuance of any bonds or any instrument  
469 or the security therefor or for the proper conduct of the authority's business, affairs, or  
470 operations, except as provided in this chapter.

471 36-93-17.

472 This chapter, being for the welfare of this state and its inhabitants, shall be liberally  
473 construed to effect its purposes."

474 **SECTION 2.**

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

477 **SECTION 3.**

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