

The Senate State and Local Governmental Operations Committee offered the following substitute to HB 553:

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 and the County Equipment
5 Financing Authority; to provide for members, qualifications, officers, meetings, and
6 procedures; to provide for powers, duties, and authority of each authority; to provide for
7 procedures, conditions, and limitations; to provide for certain bonds, notes, certificates, bond
8 anticipation notes, and other evidences of indebtedness; to provide for nonapplicability of
9 certain general laws; to provide for certain tax exempt status of each authority, each
10 authority's property, and each authority's activities; to provide for cumulative effect of the
11 foregoing; to provide for liberal construction of the foregoing; to change certain provisions
12 regarding participation in certain qualified interest rate agreements; to provide for related
13 matters; to provide for an effective date; to repeal conflicting laws; and for other purposes.

14 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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

ARTICLE 1

18 36-93-1.

19 This article shall be known and may be cited as the 'Local Government Equipment
20 Financing Authority Act.'
21
22

23 36-93-2.

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

28 36-93-3.

29 As used in this article, the term:

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

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

35 (3) 'Cost' as applied to equipment financed under this article includes:

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

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

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

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

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

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

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

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

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

65 36-93-4.

66 (a) There is created, with such duties and powers as are set forth in this article, a public
67 body corporate and politic, not a state agency but an instrumentality of purely public
68 charity performing an essential governmental function, to be known as the Local
69 Government Equipment Financing Authority. The authority shall be exempt from the
70 provisions of Article 2 of Chapter 17 of Title 50 and Code Sections 45-15-13 through
71 45-15-16.

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

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

91 (d) A majority of the members of the authority shall constitute a quorum for the
92 transaction of business. The vote of at least a majority of the members present at any
93 meeting at which a quorum is present is necessary for any action to be taken by the

94 authority. No vacancy in the membership of the authority shall impair the right of a
95 quorum to exercise all rights and perform all duties of the authority.

96 (e) Meetings of the members of the authority shall be held at the call of the chairperson or
97 whenever any two members so request. The members shall meet at least once each year.

98 (f) The authority shall be authorized to contract with Georgia Municipal Association, Inc.,
99 or its successors or other state-wide organization representing at least 200 municipalities
100 of this state to provide an administrative staff and clerical services and to assist in the
101 management of the routine affairs of the authority, including the originating and processing
102 of any applications from participating local governments for the lease or purchase from the
103 authority of equipment and to service the leases and installment purchase contracts between
104 the authority and the participating local governments. The administrative staff shall
105 include an executive director who shall serve as the ex officio secretary of the authority.
106 The executive director may be an employee of the Georgia Municipal Association, Inc., or
107 its successors or other state-wide organization representing at least 200 of the
108 municipalities of this state.

109 (g) The executive director shall attend the meetings of the members of the authority, shall
110 keep a record of the proceedings of the authority, and shall maintain all books, documents,
111 and papers filed with the authority, the minutes of the authority, and its official seal. He
112 or she may cause copies to be made of all minutes and other records and documents of the
113 authority and may give certificates under seal of the authority to the effect that such copies
114 are true copies, and all persons dealing with the authority may rely upon such certificates.
115 If the executive director is unable to attend a meeting of the members of the authority, the
116 members of the authority shall designate a member of the authority or an employee of the
117 entity referred to in subsection (f) of this Code section as the person responsible for
118 carrying out the duties of the executive director set out in this Code section.

119 36-93-5.

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

122 (1) To have perpetual succession as a public body corporate and politic and an
123 independent public instrumentality exercising essential public functions;

124 (2) To adopt, amend, and repeal bylaws and rules consistent with this article to regulate
125 its affairs; to carry into effect its powers and purposes; and to conduct its business;

126 (3) To sue and be sued in its own name;

127 (4) To have an official seal;

128 (5) To maintain an office in Georgia;

- 129 (6) To make and execute contracts and all other instruments necessary or convenient for
130 the performance of its duties and the exercise of its powers and functions under this
131 article;
- 132 (7) To employ architects, engineers, independent legal counsel, inspectors, accountants,
133 and financial experts and such other advisers, consultants, and agents as may be
134 necessary in its judgment without the approval or consent of any other public official and
135 to fix their compensation;
- 136 (8) To procure insurance against any loss in connection with its property and other assets
137 in such amounts and from such insurers as it considers advisable and to pay premiums
138 on any such insurance;
- 139 (9) To procure insurance, guarantees, or other credit enhancement from any public or
140 private entities, including any department, agency, or instrumentality of the United States,
141 to secure payment:
- 142 (A) On a lease or installment purchase payment owed by a participating local
143 government to the authority; or
- 144 (B) Of any bonds issued by the authority
- 145 and to pay premiums on any such insurance, guarantee, or other credit enhancement;
- 146 (10) To procure letters of credit or other credit or liquidity facilities or agreements from
147 any national or state banking association or other entity authorized to issue a letter of
148 credit or other credit or liquidity facilities or agreements to secure the payment of any
149 bonds issued by the authority or to secure the payment of any lease or installment
150 purchase payment owed by a participating local government to the authority; and to pay
151 the cost of obtaining such letter of credit or other credit or liquidity facilities or
152 agreements;
- 153 (11) To receive and accept from any source any money, property, or thing of value to be
154 held, used, and applied to carry out the purpose of this article, subject to the conditions
155 upon which the grants or contributions are made, including gifts or grants from any
156 department, agency, or instrumentality of the United States or the State of Georgia for
157 any purpose consistent with this article;
- 158 (12) To provide, or cause to be provided by a participating local government, by
159 acquisition, lease, fabrication, repair, restoration, reconditioning, refinancing, or
160 installation, equipment to be located within Georgia;
- 161 (13) To lease as lessor any item of equipment for such rentals and upon such terms and
162 conditions as the authority considers advisable and which are not in conflict with this
163 article;
- 164 (14) To sell by installment or otherwise, to sell by option or contract for sale, and to
165 convey all or any part of any item of equipment for such price and upon such terms and

166 conditions as the authority considers advisable and which are not in conflict with this
167 article;

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

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

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

177 (18) To charge to and apportion among participating local governments its administrative
178 costs and expenses incurred in the exercise of the powers and duties conferred by this
179 article;

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

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

184 (21) To sell or assign its rights under its leases, installment purchase contracts, or other
185 contracts or its right to receive payments thereunder, either directly or through trust or
186 custodial arrangements whereby interests are created in such leases, installment purchase
187 contracts, or other contracts, or the payments to be received thereunder through the
188 issuance of trust certificates, certificates of participation, custodial receipts, or other
189 similar instruments;

190 (22) To exercise any power granted by the laws of this state to public or private
191 corporations which is not in conflict with the public purpose of the authority;

192 (23) To do all things necessary or convenient to carry out the powers conferred by this
193 article;

194 (24) To hold funds in deposit accounts with banking institutions as otherwise authorized
195 by law; and

196 (25) Subject to any agreement with bondholders, to invest moneys of the authority not
197 required for immediate use to carry out the purposes of this chapter, including the
198 proceeds from the sale of any bonds and any moneys held in reserve funds, in the
199 following obligations:

200 (A) Bonds or obligations of, or other obligations the principal and interest of which are
201 guaranteed by, this state or any county, municipal corporation, political subdivision, or
202 public body corporate and politic of this state;

- 203 (B) Bonds or other obligations of the United States or of subsidiary corporations of the
204 United States government fully guaranteed by such government;
- 205 (C) Obligations of agencies of the United States government and its subsidiary
206 corporations and instrumentalities and entities sanctioned or authorized by the United
207 States government including, but not limited to, any of the farm credit banks or
208 agricultural credit banks, the Federal Home Loan Mortgage Corporation, and the
209 Federal National Mortgage Association;
- 210 (D) Bonds or other obligations issued by any public housing agency or municipality
211 in the United States, which bonds or obligations are fully secured as to the payment of
212 both principal and interest by a pledge of annual contributions under an annual
213 contributions contract or contracts with the United States government, or project notes
214 issued by any public housing agency, urban renewal agency, or municipality in the
215 United States and fully secured as to payment of both principal and interest by a
216 requisition, loan, or payment agreement with the United States government;
- 217 (E) Certificates of deposit of national or state banks or federal savings and loan
218 associations located within this state that have deposits insured by the Federal Deposit
219 Insurance Corporation and certificates of deposit of state building and loan associations
220 located within this state that have deposits insured by any Georgia deposit insurance
221 corporation, including the certificates of deposit of any bank, savings and loan
222 association, or building and loan association acting as depository, custodian, or trustee
223 for any such funds; provided, however, that the portion of such certificates of deposit
224 in excess of the amount insured by the Federal Deposit Insurance Corporation or any
225 Georgia deposit insurance corporation, if any such excess exists, shall be secured by
226 deposit with the Federal Reserve Bank of Atlanta, Georgia, with any national or state
227 bank located within this state, or one or more of the securities described in
228 subparagraphs (A), (B), (C), and (D) of this paragraph, in an aggregate principal
229 amount equal at least to the amount of such excess;
- 230 (F) Interest-bearing time deposits, repurchase agreements, forward delivery
231 agreements, rate guarantee agreements, or other similar banking arrangements with
232 respect to securities described in subparagraphs (A), (B), (C), and (D) of this paragraph
233 with:
- 234 (i) A bank or trust company having capital and surplus aggregating at least \$50
235 million;
- 236 (ii) Any government bond dealer reporting to, trading with, and recognized as a
237 primary dealer by the Federal Reserve Bank of New York having capital aggregating
238 at least \$50 million; or

239 (iii) Any corporation that is subject to registration with the Board of Governors of the
240 Federal Reserve System pursuant to the requirements of the federal Bank Holding
241 Company Act of 1956,
242 provided that each such interest-bearing time deposit, repurchase agreement, forward
243 delivery agreement, rate guarantee agreement, or other similar banking arrangement
244 shall permit the moneys so placed to be available for use at the time provided with
245 respect to the investment or reinvestment of such moneys; and
246 (G) State operated investment pools.

247 36-93-6.

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

251 (1) Establish eligibility standards for participating local governments, provided that such
252 standards shall encourage maximum feasible participation for participating local
253 governments;

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

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

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

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

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

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

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

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

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

279 (2) Require any other type of security from the participating local government that it
280 considers reasonable and necessary.

281 36-93-7.

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

286 (b) The bonds may be issued as serial bonds or as term bonds or a combination of each in
287 one or more series and shall bear such date or dates; mature at such time or times, not
288 exceeding 30 years from their respective dates of issue; bear interest at such fixed or
289 variable rates without regard to any limitations contained in any other statute or laws of this
290 state, bear interest at different rates, and mature at different dates within a series; bear
291 interest at one or more variable or fixed rates within a series, and may be converted from
292 such variable rate or rates to a fixed rate or rates, or may be converted from such fixed rate
293 or rates to a variable rate or rates from time to time; be payable at such time or times; be
294 in such denominations; be in such form, either coupon or fully registered; carry such
295 registration and conversion privileges; have such rank or priority; be payable in lawful
296 money of the United States at such places, within or outside this state; and be subject to
297 such terms of redemption and tender for purchase as such bond resolution may provide.

298 (c) All revenue bonds issued by the authority shall be subject to validation in accordance
299 with Article 3 of Chapter 82 of this title, known as the 'Revenue Bond Law.' Notes and
300 other types of obligations of the authority shall not be required to be so validated. All
301 proceedings to validate revenue bonds of the authority shall be held in the Superior Court
302 of Fulton County, and judgments of validation obtained in the manner set forth in such
303 chapter shall be forever conclusive upon the validity of such bonds and the security for
304 such bonds as therein provided. The petition and complaint for validation may also make
305 party defendant to such action any participating local government that has contracted with
306 the authority in connection with the issuance of the revenue bonds or regarding the manner
307 in which such bonds are to be secured; and such participating local government may be
308 required to show cause, if any exists, why such contract and the terms and conditions
309 thereof should not be inquired into by the court, the validity of the terms thereof

310 determined, and the contract adjudicated as a binding obligation of the participating local
311 government for the security of any such bonds of the authority. The revenue bonds when
312 validated and the judgment of validation shall be final and conclusive with respect to such
313 bonds against the authority, any parties to the validation proceedings, or any persons who
314 might properly have become parties to such proceedings. The certificate of validation,
315 however, may be signed with the facsimile or manually executed official signature of the
316 clerk or deputy clerk of the Superior Court of Fulton County.

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

323 (e) The bonds shall be signed by the chairperson of the authority or such other person
324 designated by the authority, and the corporate seal of the authority shall be thereunto
325 impressed, imprinted, or otherwise reproduced and attested by the signature of the secretary
326 of the authority or such other person designated by the authority. The coupons, if any, shall
327 be signed in such manner as may be directed by the authority. The signatures of the
328 officers of the authority and the seal of the authority upon any bond issued by the authority
329 may be by facsimile if the instrument is manually authenticated or countersigned by a
330 trustee other than the authority itself or an officer or employee of the authority. All bonds
331 issued under the authority of this article bearing signatures or facsimiles of the signatures
332 of officers of the authority in office on the date of the signing thereof shall be valid and
333 binding, notwithstanding that before the delivery thereof and payment therefor such
334 officers whose signatures appear thereon shall have ceased to be officers of the authority.

335 (f) The authority may provide for the issuance of bonds of the authority for the purpose
336 of refunding any bonds of the authority then outstanding, including the payment of any
337 redemption premium thereon and any interest accrued or to accrue to the earliest or any
338 subsequent date of redemption, purchase, or maturity of such bonds, and, if considered
339 advisable by the authority, for the additional purpose of paying all or any part of the cost
340 of equipment.

341 (g) The proceeds of any bonds issued for the purpose of refunding outstanding bonds may,
342 in the discretion of the authority, be applied to the purchase or retirement at maturity or
343 redemption of such outstanding bonds either on their earliest or any subsequent redemption
344 date or upon the purchase or at the maturity thereof and may, pending such application, be
345 placed in escrow to be applied to such purchase or retirement at maturity or redemption on
346 such date as may be determined by the authority. Subject to the provisions of any trust

347 indenture to the contrary, any such escrowed proceeds, pending such use, may be invested
348 and reinvested in such obligations specified in paragraph (25) of Code Section 36-93-5 as
349 are determined by the authority in order to assure the prompt payment of the principal and
350 interest and redemption premium, if any, on the outstanding bonds to be so refunded. The
351 interest, income, and profits, if any, earned or realized on any such investment may also
352 be applied to the payment of the outstanding bonds to be so refunded. Only after the terms
353 of the escrow have been fully satisfied and carried out shall any balance of such proceeds
354 and interest, income, and profits, if any, earned or realized on the investments thereof be
355 returned to the authority or the participating local governments for use by them in any
356 lawful manner.

357 (h) The proceeds of the bonds, other than refunding bonds, of each series shall be used for
358 the payment of all or part of the cost of the equipment for which such bonds have been
359 authorized and, at the option of the authority, for the deposit to a reserve fund or reserve
360 funds for the bonds; however, the authority may be paid, out of proceeds of the sale and
361 delivery of its bonds issued in accordance with this article, all of the authority's
362 out-of-pocket expenses and costs in connection with the issuance, sale, and delivery of such
363 bonds and the costs of obtaining insurance, guarantees, other credit enhancement, and
364 letters of credit securing payment of the bonds and the lease and the installment purchase
365 payments, plus an amount equal to the compensation paid to any employees or agents of
366 the authority for the time those employees or agents have spent on activities relating to the
367 issuance, sale, and delivery of the bonds. Bond proceeds shall be disbursed in the manner
368 and under the restrictions determined by the authority.

369 36-93-8.

370 (a) The bonds may be secured by a trust indenture by and between the authority and a
371 corporate trustee, which may be any bank having the power of a trust company, or any trust
372 company. The trust indenture may contain such provisions for protecting and enforcing
373 the rights and remedies of the holders of the bonds as may be reasonable and proper and
374 not in violation of law, including covenants setting forth the duties of the authority in
375 relation to the exercise of its powers and the custody, investing, safekeeping, and
376 application of all money. The authority may provide by the trust indenture for the payment
377 of the proceeds of the bonds and any lease or installment purchase payments to the trustee
378 under the trust indenture or other depository and for the method of disbursement thereof
379 with such safeguards and restrictions as the authority may determine. All expenses
380 incurred in carrying out the trust indenture may be treated as a part of the operating
381 expenses of the authority.

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

385 (A) Pledging or assigning the lease or installment purchase payments made for the
386 equipment or pledging or assigning the contract rights under the leases or installment
387 purchase contracts with the participating local governments whose equipment has been
388 financed with the proceeds of such bonds or other specified revenues or property of the
389 authority;

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

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

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

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

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

401 (G) The refunding of outstanding bonds;

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

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

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

410 (2) Bonds of the authority may also be secured by and payable from a pooling of leases
411 or of installment purchase contracts whereby the authority may assign its rights, as lessor,
412 and pledge rents under two or more leases of equipment with two or more participating
413 local governments, as lessees, or assign its rights as seller and pledge the installment
414 purchase payments under two or more installment purchase contracts of equipment with
415 two or more participating local governments, as purchasers, upon such terms as may be
416 provided for in bond resolutions, trust indentures, or other instruments under which such
417 bonds are issued.

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

424 36-93-9.

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

427 36-93-10.

428 Bonds issued under this article shall not be deemed to constitute a debt or pledge of the
429 faith and credit of this state or any political subdivision or municipal corporation thereof
430 within the meaning of any provision of the Constitution or laws of this state. Bonds issued
431 by the authority shall not directly, indirectly, or contingently obligate this state or any of
432 its political subdivisions or municipal corporations to levy or to pledge any form of
433 taxation whatever for those bonds or to make any appropriation for the payment thereof;
434 and all such bonds or other obligations of the authority shall contain recitals on their face
435 covering substantially the foregoing provisions of this Code section.

436 36-93-11.

437 The creation of the authority and the carrying out of its corporate purposes is in all respects
438 for the benefit of the people of this state and is a public purpose, and the authority will be
439 performing an essential governmental function in the exercise of the power conferred upon
440 it by this article; the state covenants with the holders of the bonds and any interest coupons
441 appertaining thereto that the authority shall be required to pay no taxes or assessments
442 imposed by the state or any of its counties, municipal corporations, political subdivisions,
443 or taxing districts upon any of the property acquired or leased or sold by it or under its
444 jurisdiction, control, possession, or supervision or upon its activities in the operation or
445 maintenance of the equipment acquired by it or upon any fees, rentals, charges, or purchase
446 price, received in installments or otherwise, pertaining to such equipment or upon other
447 income received by the authority; that the bonds of the authority, their transfer, and the
448 interest and income therefrom shall at all times be exempt from taxation within this state;
449 and that the recording of any indenture or security agreement by the authority shall be
450 exempt from recording taxes and fees and from intangibles tax. The tax exemption
451 provided in this Code section shall not include any exemption from sales or use tax on

452 property purchased by the authority or for use by the authority, except that the authority
453 shall be entitled to such exemption with respect to property as is available to the
454 participating local government pursuant to Article 1 of Chapter 8 of Title 48.

455 36-93-12.

456 While any of the bonds issued by the authority remain outstanding, the powers, duties, or
457 existence of the authority or of any of its officers shall not be diminished or impaired in any
458 manner that will affect adversely the interest and right of the holders of such bonds. This
459 article shall be for the benefit of the holders of any such bonds and, upon the issuance of
460 the bonds as provided in this chapter, such provisions shall constitute a contract with the
461 holders of such bonds. The provisions of any bond resolution, indenture, or trust
462 agreement shall be a contract with every holder of such bonds, and the duties of the
463 authority under any such bond resolution, indenture, or trust agreement shall be enforceable
464 by any bondholder by mandamus or other appropriate action or proceeding at law or in
465 equity.

466 36-93-13.

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

470 36-93-14.

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

473 36-93-15.

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

479 36-93-16.

480 Nothing in this article may be construed as a restriction or limitation upon any powers that
481 the authority might otherwise have under any other law of this state, and this article is
482 cumulative to such powers. This article shall be construed to provide a complete,
483 additional, and alternative method for the doing of the things authorized and shall be

484 construed as supplemental to powers conferred by any other laws. The adoption by the
 485 authority of bylaws and rules and the issuance of bonds by the authority under this article
 486 need not comply with the requirements of any other state laws applicable to the adoption
 487 of bylaws and rules and the issuance of bonds, notes, and other obligations. No
 488 proceedings, notice, or approval is required for the issuance of any bonds or any instrument
 489 or the security therefor or for the proper conduct of the authority's business, affairs, or
 490 operations, except as provided in this article.

491 36-93-17.

492 This article, being for the welfare of this state and its inhabitants, shall be liberally
 493 construed to effect its purposes.

494 ARTICLE 2

495 36-93-30.

496 This article shall be known and may be cited as the 'County Government Equipment
 497 Financing Authority Act.'

498 36-93-31.

499 The purpose of this article shall be to provide a mechanism through which participating
 500 county governments may lease or purchase on an installment basis equipment at lower than
 501 prevailing costs and to make this mechanism available to the largest number of
 502 participating county governments feasible.

503 36-93-32.

504 As used in this article, the term:

505 (1) 'Authority' means the County Equipment Financing Authority created by this article
 506 and any successor or successors thereto. Any change in name or composition of the
 507 authority shall in no way affect the vested rights of any person under this article.

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

510 (3) 'Cost' as applied to equipment financed under this article includes:

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

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

515 (C) The cost of architectural, engineering, legal, trustee, underwriting, and related
 516 services; the cost of the preparation of plans, specifications, studies, surveys, and

517 estimates of cost; and all other expenses necessary or incident to planning, providing,
 518 or determining the need for or the feasibility and practicability of equipment;
 519 (D) The cost of financing charges, including premiums or prepayment penalties and
 520 interest, accrued before the acquisition and installation or refinancing of such
 521 equipment and for up to three years after such acquisition and installation or
 522 refinancing;
 523 (E) The costs paid or incurred in connection with the financing of equipment, including
 524 out-of-pocket expenses, the cost of any policy of insurance or other credit enhancement,
 525 the cost of printing, engraving, and reproduction services, and the cost of the initial or
 526 acceptance fee of any trustee or paying agent;
 527 (F) The costs of the authority incurred in connection with providing equipment,
 528 including reasonable sums to reimburse the authority for time spent by its agents or
 529 employees in providing and financing equipment; and
 530 (G) The costs paid or incurred for the administration of any program for the financing
 531 or refinancing of equipment by the authority and any program for the installment sale
 532 or lease of equipment to any participating county government.
 533 (4) 'Equipment' means any fixture or personal property that is determined by the
 534 authority to be necessary or desirable for the efficient operation of any participating
 535 county government, regardless of whether such property is in existence at the time of, or
 536 is to be provided after the making of, such finding.
 537 (5) 'Participating county government' means a county, consolidated government, school
 538 district, or other political subdivision that contracts under this article with the authority
 539 for the installment purchase or lease of equipment.

540 36-93-33.

541 (a) There is created, with such duties and powers as are set forth in this article, a public
 542 body corporate and politic, not a state agency but an instrumentality of purely public
 543 charity performing an essential governmental function, to be known as the County
 544 Government Equipment Financing Authority. The authority shall be exempt from the
 545 provisions of Article 2 of Chapter 17 of Title 50 and Code Sections 45-15-13
 546 through 45-15-16.
 547 (b) The authority shall be governed by an initial board of directors who shall be the same
 548 persons who are the county elected officials serving as members of the governing board of
 549 a Georgia nonprofit instrumentality of county governments whose income is exempt from
 550 federal income tax pursuant to Section 115 of the Internal Revenue Code of 1986. The
 551 initial board of directors shall adopt bylaws setting forth procedures governing the internal
 552 operations of the authority. The bylaws may provide for a successor board of directors

553 composed of five to nine members elected on a staggered basis to terms of four years
554 except that the initial appointments may be for a shorter term in order to stagger the terms.
555 The initial board of directors shall govern the authority until a successor board of directors
556 is appointed in accordance with the bylaws of the authority. Each member of the board of
557 directors shall be an elected member of a Georgia county governing authority and, if such
558 member ceases to be an elected member of a Georgia county governing authority, such
559 member's seat on the board shall be declared vacant and the remainder of any term filled
560 as provided in the bylaws of the authority.

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

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

569 (e) Meetings of the members of the authority shall be held at the call of the chairperson or
570 whenever any two members so request. The members shall meet at least once each year.

571 (f) The authority shall be authorized to contract with the Association County
572 Commissioners of Georgia, Inc., or its successors or other state-wide organization
573 representing counties of this state to provide an administrative staff and clerical services
574 and to assist in the management of the routine affairs of the authority, including the
575 originating and processing of any applications from participating county governments for
576 the lease or purchase from the authority of equipment and to service the leases and
577 installment purchase contracts between the authority and the participating county
578 governments. The administrative staff shall include an executive director who shall serve
579 as the ex officio secretary of the authority. The executive director may be an employee of
580 the Association County Commissioners of Georgia, Inc., or its successors or other
581 state-wide organization representing counties of this state.

582 (g) The executive director shall attend the meetings of the members of the authority, shall
583 keep a record of the proceedings of the authority, and shall maintain all books, documents,
584 and papers filed with the authority, the minutes of the authority, and its official seal. The
585 executive director may cause copies to be made of all minutes and other records and
586 documents of the authority and may give certificates under seal of the authority to the
587 effect that such copies are true copies, and all persons dealing with the authority may rely
588 upon such certificates. If the executive director is unable to attend a meeting of the
589 members of the authority, the members of the authority shall designate a member of the

590 authority or an employee of the entity referred to in subsection (f) of this Code section as
591 the person responsible for carrying out the duties of the executive director set out in this
592 Code section.

593 36-93-34.

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

596 (1) To have perpetual succession as a public body corporate and politic and an
597 independent public instrumentality exercising essential public functions;

598 (2) To adopt, amend, and repeal bylaws and rules consistent with this article to regulate
599 its affairs; to carry into effect its powers and purposes; and to conduct its business;

600 (3) To sue and be sued in its own name;

601 (4) To have an official seal;

602 (5) To maintain an office in Georgia;

603 (6) To make and execute contracts and all other instruments necessary or convenient for
604 the performance of its duties and the exercise of its powers and functions under this
605 article;

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

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

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

616 (A) On a lease or installment purchase payment owed by a participating county
617 government to the authority; or

618 (B) Of any bonds issued by the authority

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

620 (10) To procure letters of credit or other credit or liquidity facilities or agreements from
621 any national or state banking association or other entity authorized to issue a letter of
622 credit or other credit or liquidity facilities or agreements to secure the payment of any
623 bonds issued by the authority or to secure the payment of any lease or installment
624 purchase payment owed by a participating county government to the authority; and to pay

625 the cost of obtaining such letter of credit or other credit or liquidity facilities or
626 agreements;

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

632 (12) To provide, or cause to be provided by a participating county government, by
633 acquisition, lease, fabrication, repair, restoration, reconditioning, refinancing, or
634 installation, equipment to be located within Georgia;

635 (13) To lease as lessor any item of equipment for such rentals and upon such terms and
636 conditions as the authority considers advisable and which are not in conflict with this
637 article;

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

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

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

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

651 (18) To charge to and apportion among participating county governments its
652 administrative costs and expenses incurred in the exercise of the powers and duties
653 conferred by this article;

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

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

658 (21) To sell or assign its rights under its leases, installment purchase contracts, or other
659 contracts or its right to receive payments thereunder, either directly or through trust or
660 custodial arrangements whereby interests are created in such leases, installment purchase
661 contracts, or other contracts, or the payments to be received thereunder through the

662 issuance of trust certificates, certificates of participation, custodial receipts, or other
663 similar instruments;

664 (22) To exercise any power granted by the laws of this state to public or private
665 corporations which is not in conflict with the public purpose of the authority;

666 (23) To do all things necessary or convenient to carry out the powers conferred by this
667 article;

668 (24) To hold funds in deposit accounts with banking institutions as otherwise authorized
669 by law; and

670 (25) Subject to any agreement with bondholders, to invest moneys of the authority not
671 required for immediate use to carry out the purposes of this article, including the proceeds
672 from the sale of any bonds and any moneys held in reserve funds, in the following
673 obligations:

674 (A) Bonds or obligations of, or other obligations the principal and interest of which are
675 guaranteed by, this state or any county, municipal corporation, political subdivision, or
676 public body corporate and politic of this state;

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

679 (C) Obligations of agencies of the United States government and its subsidiary
680 corporations and instrumentalities and entities sanctioned or authorized by the United
681 States government including, but not limited to, any of the farm credit banks or
682 agricultural credit banks, the Federal Home Loan Mortgage Corporation, and the
683 Federal National Mortgage Association;

684 (D) Bonds or other obligations issued by any public housing agency or municipality
685 in the United States, which bonds or obligations are fully secured as to the payment of
686 both principal and interest by a pledge of annual contributions under an annual
687 contributions contract or contracts with the United States government, or project notes
688 issued by any public housing agency, urban renewal agency, or municipality in the
689 United States and fully secured as to payment of both principal and interest by a
690 requisition, loan, or payment agreement with the United States government;

691 (E) Certificates of deposit of national or state banks or federal savings and loan
692 associations located within this state that have deposits insured by the Federal Deposit
693 Insurance Corporation and certificates of deposit of state building and loan associations
694 located within this state that have deposits insured by any Georgia deposit insurance
695 corporation, including the certificates of deposit of any bank, savings and loan
696 association, or building and loan association acting as depository, custodian, or trustee
697 for any such funds; provided, however, that the portion of such certificates of deposit
698 in excess of the amount insured by the Federal Deposit Insurance Corporation or any

699 Georgia deposit insurance corporation, if any such excess exists, shall be secured by
 700 deposit with the Federal Reserve Bank of Atlanta, Georgia, with any national or state
 701 bank located within this state, or one or more of the securities described in
 702 subparagraphs (A), (B), (C), and (D) of this paragraph, in an aggregate principal
 703 amount equal at least to the amount of such excess;

704 (F) Interest-bearing time deposits, repurchase agreements, forward delivery
 705 agreements, rate guarantee agreements, or other similar banking arrangements with
 706 respect to securities described in subparagraphs (A), (B), (C), and (D) of this paragraph
 707 with:

708 (i) A bank or trust company having capital and surplus aggregating at least \$50
 709 million;

710 (ii) Any government bond dealer reporting to, trading with, and recognized as a
 711 primary dealer by the Federal Reserve Bank of New York having capital aggregating
 712 at least \$50 million; or

713 (iii) Any corporation that is subject to registration with the Board of Governors of the
 714 Federal Reserve System pursuant to the requirements of the federal Bank Holding
 715 Company Act of 1956,

716 provided that each such interest-bearing deposit, repurchase agreement, forward
 717 delivery agreement, rate guarantee agreement, or other similar banking arrangement
 718 shall permit the moneys so placed to be available for use at the time provided with
 719 respect to the investment or reinvestment of such moneys; and

720 (G) State operated investment pools.

721 36-93-35.

722 (a) The authority may initiate one or more programs of providing equipment to be
 723 purchased or leased by participating county governments. In furtherance of this objective,
 724 the authority may also:

725 (1) Establish eligibility standards for participating county governments, provided that
 726 such standards shall encourage maximum feasible participation for participating county
 727 governments;

728 (2) Contract with any entity securing or enhancing the payment of bonds, authorizing the
 729 entity to approve the participating county governments that can lease or purchase
 730 equipment financed with proceeds of bonds secured or enhanced by that entity;

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

735 (4) Sell to a participating county government under any installment purchase contract
 736 specific items of equipment upon such terms and conditions as the authority considers
 737 proper;

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

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

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

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

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

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

753 (2) Require any other type of security from the participating county government that it
 754 considers reasonable and necessary.

755 36-93-36.

756 (a) The authority may issue, sell, and deliver its bonds, in accordance with this article, for
 757 the purpose of paying for all or any part of the cost of equipment, to finance the acquisition
 758 of equipment for lease or sale to participating county governments, and for any other
 759 purposes authorized by this article.

760 (b) The bonds may be issued as serial bonds or as term bonds or a combination of each in
 761 one or more series and shall bear such date or dates; mature at such time or times, not
 762 exceeding 30 years from their respective dates of issue; bear interest at such fixed or
 763 variable rates without regard to any limitations contained in any other statute or laws of this
 764 state, bear interest at different rates, and mature at different dates within a series; bear
 765 interest at one or more variable or fixed rates within a series, and may be converted from
 766 such variable rate or rates to a fixed rate or rates, or may be converted from such fixed rate
 767 or rates to a variable rate or rates from time to time; be payable at such time or times; be
 768 in such denominations; be in such form, either coupon or fully registered; carry such
 769 registration and conversion privileges; have such rank or priority; be payable in lawful

770 money of the United States at such places, within or outside this state; and be subject to
771 such terms of redemption and tender for purchase as such bond resolution may provide.
772 (c) All revenue bonds issued by the authority shall be subject to validation in accordance
773 with Article 3 of Chapter 82 of this title, known as the 'Revenue Bond Law.' Notes and
774 other types of obligations of the authority shall not be required to be so validated. All
775 proceedings to validate revenue bonds of the authority shall be held in the Superior Court
776 of Fulton County, and judgments of validation obtained in the manner set forth in such
777 chapter shall be forever conclusive upon the validity of such bonds and the security for
778 such bonds as therein provided. The petition and complaint for validation may also make
779 party defendant to such action any participating county government that has contracted
780 with the authority in connection with the issuance of the revenue bonds or regarding the
781 manner in which such bonds are to be secured; and such participating county government
782 shall be required to show cause, if any exists, why such contract and the terms and
783 conditions thereof should not be inquired into by the court, the validity of the terms thereof
784 determined, and the contract adjudicated as a binding obligation of the participating county
785 government for the security of any such bonds of the authority. The revenue bonds when
786 validated and the judgment of validation shall be final and conclusive with respect to such
787 bonds against the authority, any parties to the validation proceedings, or any persons who
788 might properly have become parties to such proceedings. The certificate of validation,
789 however, may be signed with the facsimile or manually executed official signature of the
790 clerk or deputy clerk of the Superior Court of Fulton County.
791 (d) The authority may sell its bonds in such manner and for such price, at public or private
792 sale, as it may determine to be in the best interest of the authority. Prior to the preparation
793 of definitive bonds, the authority may, under like restrictions, issue interim certificates or
794 receipts or temporary bonds for definitive bonds upon issuance of the latter. The authority
795 may also provide for the replacement of any bonds that shall become mutilated or be
796 stolen, destroyed, or lost.
797 (e) The bonds shall be signed by the chairperson of the authority or by such other person
798 designated by the authority, and the corporate seal of the authority shall be thereunto
799 impressed, imprinted, or otherwise reproduced and attested by the signature of the secretary
800 of the authority or by such other person designated by the authority. The coupons, if any,
801 shall be signed in such manner as may be directed by the authority. The signatures of the
802 officers of the authority and the seal of the authority upon any bond issued by the authority
803 may be by facsimile if the instrument is manually authenticated or countersigned by a
804 trustee other than the authority itself or an officer or employee of the authority. All bonds
805 issued under the authority of this article bearing signatures or facsimiles of the signatures
806 of officers of the authority in office on the date of the signing thereof shall be valid and

807 binding, notwithstanding that before the delivery thereof and payment therefor such
808 officers whose signatures appear thereon shall have ceased to be officers of the authority.
809 (f) The authority may provide for the issuance of bonds of the authority for the purpose
810 of refunding any bonds of the authority then outstanding, including the payment of any
811 redemption premium thereon and any interest accrued or to accrue to the earliest or any
812 subsequent date of redemption, purchase, or maturity of such bonds, and, if considered
813 advisable by the authority, for the additional purpose of paying all or any part of the cost
814 of equipment.
815 (g) The proceeds of any bonds issued for the purpose of refunding outstanding bonds may,
816 in the discretion of the authority, be applied to the purchase or retirement at maturity or
817 redemption of such outstanding bonds either on their earliest or any subsequent redemption
818 date or upon the purchase or at the maturity thereof and may, pending such application, be
819 placed in escrow to be applied to such purchase or retirement at maturity or redemption on
820 such date as may be determined by the authority. Subject to the provisions of any trust
821 indenture to the contrary, any such escrowed proceeds, pending such use, may be invested
822 and reinvested in such obligations specified in paragraph (25) of Code Section 36-93-34
823 as are determined by the authority in order to assure the prompt payment of the principal
824 and interest and redemption premium, if any, on the outstanding bonds to be so refunded.
825 The interest, income, and profits, if any, earned or realized on any such investment may
826 also be applied to the payment of the outstanding bonds to be so refunded. Only after the
827 terms of the escrow have been fully satisfied and carried out shall any balance of such
828 proceeds and interest, income, and profits, if any, earned or realized on the investments
829 thereof be returned to the authority or the participating county governments for use by them
830 in any lawful manner.
831 (h) The proceeds of the bonds, other than refunding bonds, of each series shall be used for
832 the payment of all or part of the cost of the equipment for which such bonds have been
833 authorized and, at the option of the authority, for the deposit to a reserve fund or reserve
834 funds for the bonds; however, the authority may be paid, out of proceeds of the sale and
835 delivery of its bonds issued in accordance with this article, all of the authority's
836 out-of-pocket expenses and costs in connection with the issuance, sale, and delivery of such
837 bonds and the costs of obtaining insurance, guarantees, other credit enhancement, and
838 letters of credit securing payment of the bonds and the lease and the installment purchase
839 payments, plus an amount equal to the compensation paid to any employees or agents of
840 the authority for the time those employees or agents have spent on activities relating to the
841 issuance, sale, and delivery of the bonds. Bond proceeds shall be disbursed in the manner
842 and under the restrictions determined by the authority.

843 36-93-37.

844 (a) The bonds may be secured by a trust indenture by and between the authority and a
845 corporate trustee, which may be any bank having the power of a trust company, or any trust
846 company. The trust indenture may contain such provisions for protecting and enforcing
847 the rights and remedies of the holders of the bonds as may be reasonable and proper and
848 not in violation of law, including covenants setting forth the duties of the authority in
849 relation to the exercise of its powers and the custody, investing, safekeeping, and
850 application of all money. The authority may provide by the trust indenture for the payment
851 of the proceeds of the bonds and any lease or installment purchase payments to the trustee
852 under the trust indenture or other depository and for the method of disbursement thereof
853 with such safeguards and restrictions as the authority may determine. All expenses
854 incurred in carrying out the trust indenture may be treated as a part of the operating
855 expenses of the authority.

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

859 (A) Pledging or assigning the lease or installment purchase payments made for the
860 equipment or pledging or assigning the contract rights under the leases or installment
861 purchase contracts with the participating county governments whose equipment has
862 been financed with the proceeds of such bonds or other specified revenues or property
863 of the authority;

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

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

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

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

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

875 (G) The refunding of outstanding bonds;

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

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

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

884 (2) Bonds of the authority may also be secured by and payable from a pooling of leases
885 or of installment purchase contracts whereby the authority may assign its rights, as lessor,
886 and pledge rents under two or more leases of equipment with two or more participating
887 county governments, as lessees, or assign its rights as seller and pledge the installment
888 purchase payments under two or more installment purchase contracts of equipment with
889 two or more participating county governments, as purchasers, upon such terms as may
890 be provided for in bond resolutions, trust indentures, or other instruments under which
891 such bonds are issued.

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

898 36-93-38.

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

901 36-93-39.

902 Bonds issued under this article shall not be deemed to constitute a debt or pledge of the
903 faith and credit of this state or any political subdivision thereof within the meaning of any
904 provision of the Constitution or laws of this state. Bonds issued by the authority shall not
905 directly, indirectly, or contingently obligate this state or any of its political subdivisions to
906 levy or to pledge any form of taxation whatever for those bonds or to make any
907 appropriation for the payment thereof; and all such bonds or other obligations of the
908 authority shall contain recitals on their face covering substantially the foregoing provisions
909 of this Code section.

910 36-93-40.

911 The creation of the authority and the carrying out of its corporate purposes is in all respects
912 for the benefit of the people of this state and is a public purpose, and the authority will be
913 performing an essential governmental function in the exercise of the power conferred upon

914 it by this article; the state covenants with the holders of the bonds and any interest coupons
915 appertaining thereto that the authority shall be required to pay no taxes or assessments
916 imposed by the state or any of its counties, municipal corporations, political subdivisions,
917 or taxing districts upon any of the property acquired or leased or sold by it or under its
918 jurisdiction, control, possession, or supervision or upon its activities in the operation or
919 maintenance of the equipment acquired by it or upon any fees, rentals, charges, or purchase
920 price, received in installments or otherwise, pertaining to such equipment or upon other
921 income received by the authority; that the bonds of the authority, their transfer, and the
922 interest and income therefrom shall at all times be exempt from taxation within this state;
923 and that the recording of any indenture or security agreement by the authority shall be
924 exempt from recording taxes and fees and from intangibles tax. The tax exemption
925 provided in this Code section shall not include any exemption from sales or use tax on
926 property purchased by the authority or for use by the authority, except that the authority
927 shall be entitled to such exemption on property as is available to the participating county
928 government pursuant to Article 1 of Chapter 8 of Title 48.

929 36-93-41.

930 While any of the bonds issued by the authority remain outstanding, the powers, duties, or
931 existence of the authority or of any of its officers shall not be diminished or impaired in any
932 manner that will affect adversely the interest and right of the holders of such bonds. This
933 article shall be for the benefit of the holders of any such bonds and, upon the issuance of
934 the bonds as provided in this article, such provisions shall constitute a contract with the
935 holders of such bonds. The provisions of any bond resolution, indenture, or trust
936 agreement shall be a contract with every holder of such bonds, and the duties of the
937 authority under any such bond resolution, indenture, or trust agreement shall be enforceable
938 by any bondholder by mandamus or other appropriate action or proceeding at law or in
939 equity.

940 36-93-42.

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

944 36-93-43.

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

947 36-93-44.

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

953 36-93-45.

954 Nothing in this article may be construed as a restriction or limitation upon any powers that
 955 the authority might otherwise have under any other law of this state, and this article is
 956 cumulative to such powers. This article shall be construed to provide a complete,
 957 additional, and alternative method for the doing of the things authorized and shall be
 958 construed as supplemental to powers conferred by any other laws. The adoption by the
 959 authority of bylaws and rules and the issuance of bonds by the authority under this article
 960 need not comply with the requirements of any other state laws applicable to the adoption
 961 of bylaws and rules and the issuance of bonds, notes, and other obligations. No
 962 proceedings, notice, or approval is required for the issuance of any bonds or any instrument
 963 or the security therefor or for the proper conduct of the authority's business, affairs, or
 964 operations, except as provided in this article.

965 36-93-46.

966 This article, being for the welfare of this state and its inhabitants, shall be liberally
 967 construed to effect its purposes."

968 **SECTION 2.**

969 Said title is further amended in paragraph (6) of Code Section 36-82-250, relating to
 970 definitions regarding qualified interest rate management agreements, as follows:

971 "(6) 'Local governmental entity' means:

972 (A) Any any governmental body as defined in paragraph (2) of Code Section 36-82-61,
 973 as amended; provided, however, that such term shall only include authorities which are
 974 local public authorities included in the definition thereof set forth in subparagraphs (C)
 975 and (D) of paragraph (2) of Code Section 36-82-61, as amended;

976 (B) The Local Government Equipment Financing Authority created by Article 1 of
 977 Chapter 93 of this title; and

978 (C) The County Government Equipment Financing Authority created by Article 2 of
 979 Chapter 93 of this title."

980

SECTION 3.

981

This Act shall become effective upon its approval by the Governor or upon its becoming law

982

without such approval.

983

SECTION 4.

984

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