

COMMITTEE OF CONFERENCE SUBSTITUTE TO HB 63

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 the comprehensive revision of redevelopment powers; to repeal in its
3 entirety Chapter 44, the "Redevelopment Powers Law"; to reenact provisions regarding
4 redevelopment; to provide for a short title; to provide for definitions; to provide for
5 legislative purposes; to provide for redevelopment agencies; to provide for redevelopment
6 powers and delegation thereof; to provide for redevelopment plan proposals and approved
7 plans; to provide for creation and termination of the allocation districts; to provide for tax
8 increment financing; to provide for redevelopment costs; to provide for tax allocation bonds
9 and bond anticipation notes; to provide for millage rates; to provide for contractual
10 agreements; to provide for use of funds; to provide for conflicts of interest, voidable
11 contracts, and misconduct; to provide for comprehensive procedures, conditions, limitations,
12 requirements, and applicability with regard to the foregoing; to place restrictions on the
13 ability of local government authorities to issue revenue bonds and other revenue obligations
14 that are payable from payments in lieu of property taxes; to provide for the applicability and
15 nonapplicability of such restrictions; to provide for powers, duties, and responsibilities of
16 each county board of tax assessors and local governments and local government authorities
17 with respect to the foregoing; to provide for related matters; to provide an effective date; to
18 repeal conflicting laws; and for other purposes.

19 **BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:**

SECTION 1.

20 Title 36 of the Official Code of Georgia Annotated, relating to local government, is amended
21 by repealing in its entirety Chapter 44, the "Redevelopment Powers Law."
22

SECTION 2.

23 Said title is further amended by adding a new chapter to read as follows:
24

25

"CHAPTER 4426 36-44-1.27 This chapter shall be known and may be cited as the 'Redevelopment Powers Law.'28 36-44-2.

29 It is found and declared that economically and socially depressed areas exist within
 30 counties and municipalities of this state and that these areas contribute to or cause
 31 unemployment, limit the tax resources of counties and municipalities, and create a greater
 32 demand for governmental services and, in general, have a deleterious effect upon the public
 33 health, safety, morals, and welfare. It is, therefore, in the public interest that such areas be
 34 redeveloped to the maximum extent practicable to improve economic and social conditions
 35 therein in order to abate or eliminate such deleterious effects. To encourage such
 36 redevelopment, it is essential that the counties and municipalities of this state have
 37 additional powers to form a more effective partnership with private enterprise to overcome
 38 economic limitations that have previously impeded or prohibited redevelopment of such
 39 areas. It is the purpose of this chapter, therefore, to grant such additional powers to the
 40 counties and municipalities of this state, and it is the intention of the General Assembly that
 41 this chapter be liberally construed to carry out such purpose.

42 36-44-3.43 As used in this chapter, the term:

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

48 (A) Those ad valorem property taxes levied to repay bonded indebtedness;49 (B) Unless otherwise provided in the resolution creating such district, those ad valorem
50 property taxes levied on personal property or on motor vehicles; and51 (C) Unless otherwise provided in the resolution creating such district, those ad valorem
52 property taxes levied on the assessed value of property owned by public utilities and
53 railroad companies, as determined pursuant to the provisions of Chapter 5 of Title 48.54 (2) 'Area of operation' means, in the case of a municipality or its redevelopment agency,
55 the territory lying within the corporate limits of such municipality; in the case of a county
56 or its redevelopment agency, the territory lying within the unincorporated area of the
57 county; and, in the case of a consolidated government or its redevelopment agency, the
58 area lying within the territorial boundaries of the consolidated government. 'Area of

59 operation' may also mean the combined areas of operation of political subdivisions which
 60 participate in the creation of a common redevelopment agency to serve such participating
 61 political subdivisions as provided in subsection (d) of Code Section 36-44-4.

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

64 (4) 'Political subdivision' means any county, municipality, or consolidated government
 65 of this state.

66 (5) 'Redevelopment' means any activity, project, or service necessary or incidental to
 67 achieving the development or revitalization of a redevelopment area or a portion thereof
 68 designated for redevelopment by a redevelopment plan or the preservation or
 69 improvement of historical or natural assets within a redevelopment area or a portion
 70 thereof designated for redevelopment by a redevelopment plan. Without limiting the
 71 generality of the foregoing, redevelopment may include any one or more of the following:

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

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

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

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

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

85 (F) The preservation, protection, renovation, rehabilitation, restoration, alteration,
 86 improvement, maintenance, and creation of open spaces, green spaces, or recreational
 87 facilities;

88 (G) The construction, installation, preservation, renovation, rehabilitation,
 89 reconstruction, restoration, alteration, improvement, and maintenance of public art and
 90 arts and cultural facilities;

91 (H) The development, construction, reconstruction, repair, demolition, alteration, or
 92 expansion of structures, equipment, and facilities for mass transit;

93 (I) The development, construction, reconstruction, renovation, rehabilitation, repair,
 94 demolition, alteration, or expansion of telecommunication infrastructure;

95 (J) The development, construction, reconstruction, renovation, rehabilitation, repair,
 96 demolition, alteration, or expansion of facilities for the improvement of pedestrian
 97 access and safety;

98 (K) Improving or increasing the value of property; and

99 (L) The acquisition and retention or acquisition and disposition of property for
 100 redevelopment purposes or the use for redevelopment purposes of property already
 101 owned by a political subdivision or any agency or instrumentality thereof.

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

106 (7) 'Redevelopment area' means an urbanized area as determined by current data from
 107 the U. S. Bureau of the Census or an area presently served by sewer that qualifies as a
 108 'blighted or distressed area,' a 'deteriorating area,' or an 'area with inadequate
 109 infrastructure,' as follows:

110 (A) A 'blighted or distressed area' is an area that is experiencing one or more conditions
 111 of blight as evidenced by:

112 (i) The presence of structures, buildings, or improvements that by reason of
 113 dilapidation; deterioration; age; obsolescence; inadequate provision for ventilation,
 114 light, air, sanitation, or open space; overcrowding; conditions which endanger life or
 115 property by fire or other causes; or any combination of such factors, are conducive to
 116 ill health, transmission of disease, infant mortality, high unemployment, juvenile
 117 delinquency, or crime and are detrimental to the public health, safety, morals, or
 118 welfare;

119 (ii) The presence of a predominant number of substandard, vacant, deteriorated, or
 120 deteriorating structures; the predominance of a defective or inadequate street layout
 121 or transportation facilities; or faulty lot layout in relation to size, accessibility, or
 122 usefulness;

123 (iii) Evidence of pervasive poverty, defined as being greater than 10 percent of the
 124 population in the area as determined by current data from the U.S. Bureau of the
 125 Census, and an unemployment rate that is 10 percent higher than the state average;

126 (iv) Adverse effects of airport or transportation related noise or environmental
 127 contamination or degradation or other adverse environmental factors that the political
 128 subdivision has determined to be impairing the redevelopment of the area; or

129 (v) The existence of conditions through any combination of the foregoing that
 130 substantially impair the sound growth of the community and retard the provision of
 131 housing accommodations or employment opportunities;

132 (B) A 'deteriorating area' is an area that is experiencing physical or economic decline
 133 or stagnation as evidenced by two or more of the following:

134 (i) The presence of a substantial number of structures or buildings that are 40 years
 135 old or older and have no historic significance;

136 (ii) High commercial or residential vacancies compared to the political subdivision
 137 as a whole;

138 (iii) The predominance of structures or buildings of relatively low value compared
 139 to the value of structures or buildings in the surrounding vicinity or significantly
 140 slower growth in the property tax digest than is occurring in the political subdivision
 141 as a whole;

142 (iv) Declining or stagnant rents or sales prices compared to the political subdivision
 143 as a whole;

144 (v) In areas where housing exists at present or is determined by the political
 145 subdivision to be appropriate after redevelopment, there exists a shortage of safe,
 146 decent housing that is not substandard and that is affordable for persons of low and
 147 moderate income; or

148 (vi) Deteriorating or inadequate utility, transportation, or transit infrastructure; and

149 (C) An 'area with inadequate infrastructure' means an area characterized by:

150 (i) Deteriorating or inadequate parking, roadways, bridges, pedestrian access, or
 151 public transportation or transit facilities incapable of handling the volume of traffic
 152 into or through the area, either at present or following redevelopment; or

153 (ii) Deteriorating or inadequate utility infrastructure either at present or following
 154 redevelopment.

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

161 (A) Capital costs, including the costs incurred or estimated to be incurred for the
 162 construction of public works or improvements, new buildings, structures, and fixtures,
 163 including facilities owned or operated by school districts and systems; the renovation,
 164 rehabilitation, reconstruction, remodeling, repair, demolition, alteration, or expansion
 165 of existing buildings, structures, and fixtures, including facilities owned or operated by
 166 school districts and systems; the acquisition of equipment; and the clearing and grading
 167 of land;

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

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

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

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

186 (F) Organizational costs, including the costs of conducting environmental impact and
 187 other studies, and the costs of informing the public with respect to the creation and
 188 implementation of redevelopment plans;

189 (G) Payments to a political subdivision or board of education in lieu of taxes to
 190 compensate for any loss of tax revenues or for any capital costs incurred because of
 191 redevelopment activity; provided, however, that any such payments to a political
 192 subdivision or board of education shall not exceed in any year the amount of the
 193 contribution to the tax allocation increment in that year by such political subdivision
 194 or board of education; and

195 (H) Real property assembly costs.

196 (9) 'Redevelopment plan' means a written plan of redevelopment for a redevelopment
 197 area or a designated portion thereof which:

198 (A) Specifies the boundaries of the proposed redevelopment area;

199 (B) Explains the grounds for a finding by the local legislative body that the
 200 redevelopment area on the whole has not been subject to growth and development
 201 through private enterprise and would not reasonably be anticipated to be developed
 202 without the approval of the redevelopment plan or that the redevelopment area includes
 203 one or more natural, historical, or cultural assets which have not been adequately
 204 preserved, protected, or improved and such asset or assets would not reasonably be

205 anticipated to be adequately preserved, protected, or improved without the approval of
 206 the redevelopment plan;
 207 (C) Explains the proposed uses after redevelopment of real property within the
 208 redevelopment area;
 209 (D) Describes any redevelopment projects within the redevelopment area proposed to
 210 be authorized by the redevelopment plan, estimates the cost thereof, and explains the
 211 proposed method of financing such projects;
 212 (E) Describes any contracts, agreements, or other instruments creating an obligation
 213 for more than one year which are proposed to be entered into by the political
 214 subdivision or its redevelopment agency or both for the purpose of implementing the
 215 redevelopment plan;
 216 (F) Describes the type of relocation payments proposed to be authorized by the
 217 redevelopment plan;
 218 (G) Includes a statement that the proposed redevelopment plan conforms with the local
 219 comprehensive plan, master plan, zoning ordinance, and building codes of the political
 220 subdivision or explains any exceptions thereto;
 221 (H) Estimates redevelopment costs to be incurred or made during the course of
 222 implementing the redevelopment plan;
 223 (I) Recites the last known assessed valuation of the redevelopment area and the
 224 estimated assessed valuation after redevelopment;
 225 (J) Provides that property which is to be redeveloped under the plan and which is either
 226 designated as a historic property under Article 2 of Chapter 10 of Title 44, the 'Georgia
 227 Historic Preservation Act,' or is listed on or has been determined by any federal agency
 228 to be eligible for listing on the National Register of Historic Places will not be:
 229 (i) Substantially altered in any way inconsistent with technical standards for
 230 rehabilitation; or
 231 (ii) Demolished unless feasibility for reuse has been evaluated based on technical
 232 standards for the review of historic preservation projects,
 233 which technical standards for rehabilitation and review shall be those used by the state
 234 historic preservation officer, although nothing in this subparagraph shall be construed
 235 to require approval of a redevelopment plan or any part thereof by the state historic
 236 preservation officer;
 237 (K) Specifies the proposed effective date for the creation of the tax allocation district
 238 and the proposed termination date;
 239 (L) Contains a map specifying the boundaries of the proposed tax allocation district
 240 and showing existing uses and conditions of real property in the proposed tax allocation
 241 district;

- 242 (M) Specifies the estimated tax allocation increment base of the proposed tax
 243 allocation district;
- 244 (N) Specifies ad valorem property taxes for computing tax allocation increments
 245 determined in accordance with Code Section 36-44-9 and supported by any resolution
 246 required under paragraph (3) of Code Section 36-44-8;
- 247 (O) Specifies the amount of the proposed tax allocation bond issue or issues and the
 248 term and assumed rate of interest applicable thereto;
- 249 (P) Estimates positive tax allocation increments for the period covered by the term of
 250 the proposed tax allocation bonds;
- 251 (Q) Specifies the property proposed to be pledged for payment or security for payment
 252 of tax allocation bonds which property may include positive tax allocation increments
 253 derived from the tax allocation district, all or part of general funds derived from the tax
 254 allocation district, and any other property from which bonds may be paid under Code
 255 Section 36-44-14, subject to the limitations of Code Sections 36-44-9 and 36-44-20;
- 256 (R) If the plan proposes to include in the tax allocation increment ad valorem taxes
 257 levied by a board of education, the plan shall contain a school system impact analysis
 258 addressing the financial and operational impact on the school system of the proposed
 259 redevelopment, including but not limited to an estimate of the number of net new public
 260 school students that could be anticipated as redevelopment occurs; the location of
 261 school facilities within the proposed redevelopment area; an estimate of educational
 262 special purpose local option sales taxes projected to be generated by the proposed
 263 redevelopment, if any; and a projection of the average value of residential properties
 264 resulting from redevelopment compared to current property values in the
 265 redevelopment area; and
- 266 (S) Includes such other information as may be required by resolution of the political
 267 subdivision whose area of operation includes the proposed redevelopment area.
- 268 (10) 'Resolution' means a resolution or ordinance by which a local legislative body takes
 269 official legislative action, and any duly-adopted amendment thereto.
- 270 (11) 'Special fund' means the fund provided for in subsection (c) of Code Section
 271 36-44-11.
- 272 (12) 'Tax allocation bonds' means one or more series of bonds, notes, or other obligations
 273 issued by a political subdivision to finance, wholly or partly, redevelopment costs within
 274 a tax allocation district and which are issued on the basis of pledging for the payment or
 275 security for payment of such bonds positive tax allocation increments derived from the
 276 tax allocation district, all or part of general funds derived from the tax allocation district,
 277 and any other property from which bonds may be paid under Code Section 36-44-14, as
 278 determined by the political subdivision subject to the limitations of Code Sections

279 36-44-9 and 36-44-20. Tax allocation bonds shall not constitute debt within the meaning
 280 of Article IX, Section V of the Constitution.

281 (13) 'Tax allocation district' means a contiguous geographic area within a redevelopment
 282 area which is defined and created by resolution of the local legislative body of a political
 283 subdivision pursuant to subparagraph (B) of paragraph (3) of Code Section 36-44-8 for
 284 the purpose of issuing tax allocation bonds to finance, wholly or partly, redevelopment
 285 costs within the area.

286 (14) 'Tax allocation increment' means that amount obtained by multiplying the total ad
 287 valorem property taxes, determined as provided in Code Section 36-44-9, levied within
 288 a tax allocation district in any year by a fraction having a numerator equal to that year's
 289 taxable value of all taxable property subject to ad valorem property taxes within the tax
 290 allocation district minus the tax allocation increment base and a denominator equal to that
 291 year's taxable value of all taxable property subject to ad valorem property taxes within
 292 the tax allocation district. In any year, a tax allocation increment is 'positive' if the tax
 293 allocation increment base is less than that year's taxable value of all taxable property
 294 subject to ad valorem property taxes and 'negative' if such base exceeds such taxable
 295 value.

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

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

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

305 36-44-4.

306 (a) As an alternative to the creation of a redevelopment agency provided for by subsections
 307 (b) through (f) of this Code section, the local legislative body of a political subdivision, by
 308 resolution, may designate itself as its respective redevelopment agency and may exercise,
 309 within its respective area of operation, the redevelopment powers provided by this chapter.

310 (b) The local legislative body of a political subdivision may create a public body corporate
 311 and politic to serve as its redevelopment agency. Any such public corporation may be
 312 created by resolution adopted by the local legislative body of the political subdivision.
 313 Such resolution may provide for the membership of the board of directors of such public
 314 corporation and their terms of office, for the powers and duties of such public corporation.

315 and for such other matters as may reasonably be necessary and convenient for the creation
316 and activation of such public corporation as the redevelopment agency of the political
317 subdivision.

318 (c) In the event a political subdivision has activated a public corporation as its 'urban
319 redevelopment agency' or designated a housing authority as its 'urban redevelopment
320 agency' pursuant to Code Sections 36-61-17 and 36-61-18 of the 'Urban Redevelopment
321 Law,' the local legislative body of such political subdivision may designate such public
322 corporation as its redevelopment agency for the purposes of this chapter. Any action taken
323 pursuant to the authority of this subsection shall be by resolution duly adopted by the local
324 legislative body of the political subdivision.

325 (d) Any county, municipality, and consolidated government, or any combination of such
326 political subdivisions, by resolution of their respective local legislative bodies, may jointly
327 create a public corporation, or designate an existing public corporation which already
328 exercises 'redevelopment powers' under any other law, to serve as the common
329 redevelopment agency on behalf of such political subdivisions. The membership of the
330 board of directors and their terms of office of any such jointly created public corporation
331 and the powers and duties of such public corporation shall be as mutually agreed upon by
332 the local legislative bodies of the participating political subdivisions, as evidenced by a
333 resolution duly adopted by each such local legislative body. In the event a public
334 corporation is created or designated, as authorized in this Code section, to serve as the
335 common redevelopment agency of two or more political subdivisions, then the area of
336 operation of such redevelopment agency shall be the combined areas of operation of the
337 political subdivisions jointly creating or designating such redevelopment agency.

338 (e) A political subdivision may participate in the creation or designation of a public
339 corporation to serve as a common redevelopment agency as provided by subsection (d) of
340 this Code section as well as create or designate a public corporation to serve as the
341 redevelopment agency of the political subdivision. In such event, the members of the board
342 of directors of the public corporation created or designated as the redevelopment agency
343 of the political subdivision may also serve, in accordance with the provisions of the
344 resolution of the local legislative body of the political subdivision participating in the
345 creation or designation of a public corporation to serve as a common redevelopment
346 agency, as members of the board of directors of the jointly created public corporation.

347 (f) For purposes of redevelopment in its downtown area, any municipality may designate
348 a downtown development authority created pursuant to Chapter 42 of this title to serve as
349 a redevelopment agency. Such designation shall not affect any other redevelopment agency
350 that may exist as a part of the municipality. The area of operation of any downtown
351 development agency designated as a redevelopment agency pursuant to this subsection

352 shall not exceed the area of operation of the downtown development authority established
 353 pursuant to Chapter 42 of this title.

354 36-44-5.

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

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

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

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

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

368 (5) Issue tax allocation bonds;

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

371 (7) Enter into and execute any contracts, leases, mortgages, or other agreements,
 372 including agreements with bondholders or lenders, determined by the local legislative
 373 body to be necessary or convenient to implement the provisions and effectuate the
 374 purposes of redevelopment plans. The contracts or agreements may include conditions,
 375 restrictions, or covenants which either run with the land or otherwise regulate the use of
 376 land;

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

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

383 (b) The powers granted to political subdivisions by subsection (a) of this Code section and
 384 by this chapter and any powers delegated to a redevelopment agency pursuant to Code
 385 Section 36-44-6 may be exercised only for the purpose of adopting and implementing
 386 redevelopment plans, but this limitation shall not be construed to interfere with the exercise

387 of any power now or hereafter possessed by a political subdivision which is granted by any
 388 other law.

389 36-44-6.

390 (a) Subject to the limitations of subsection (b) of this Code section, the local legislative
 391 body of a political subdivision, by resolution, may delegate any of its redevelopment
 392 powers to its redevelopment agency created or designated pursuant to Code Section
 393 36-44-4. The local legislative body shall have authority to delegate some or all such
 394 powers in such manner and pursuant to such terms and conditions as the local legislative
 395 body shall provide by resolution. Any such resolution shall specify any powers delegated
 396 to a redevelopment agency, and such resolution may be amended, modified, or repealed by
 397 the local legislative body adopting it.

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

400 (1) Any redevelopment plan must be approved by resolution of the local legislative body
 401 of the political subdivision as a condition precedent to the implementation of said
 402 redevelopment plan, and such approval shall be subject to the requirements of Code
 403 Section 36-44-7;

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

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

408 (4) The issuance of any tax allocation bonds shall be by resolution of the local legislative
 409 body of the political subdivision;

410 (5) The power of eminent domain may only be exercised under this chapter by the local
 411 legislative body of a political subdivision; and

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

416 36-44-7.

417 (a) A redevelopment plan may be proposed by the redevelopment agency of a political
 418 subdivision, but such plan may not be implemented until it is approved by the adoption of
 419 a resolution of the local legislative body of the political subdivision as provided in this
 420 chapter.

421 (b) When a proposed redevelopment plan is prepared, it shall be submitted by the
 422 redevelopment agency to the local legislative body. Within the 60 day period after the plan
 423 is submitted, the local legislative body shall hold at least one public hearing on the
 424 proposed redevelopment plan. The local legislative body shall cause the time, date, place,
 425 and purpose of each such public hearing to be advertised in one or more newspapers of
 426 general circulation within the area of operation of the political subdivision at least once
 427 during a period of five days immediately preceding the date of each public hearing.

428 (c) Within 45 days after completing the public hearings required by subsection (b) of this
 429 Code section, the local legislative body of the political subdivision shall schedule and hold
 430 a meeting of the local legislative body for the purpose of considering the approval of the
 431 redevelopment plan. The local legislative body shall cause the date, time, place, and
 432 purpose of such meeting to be advertised in one or more newspapers of general circulation
 433 within the area of operation of the political subdivision at least once during a period of five
 434 days immediately preceding the date of such meeting. At such meeting the redevelopment
 435 plan shall be approved as submitted, amended and approved, or rejected and returned to the
 436 redevelopment agency for further consideration. Any redevelopment plan rejected by the
 437 local legislative body shall be returned to the redevelopment agency and shall be subject
 438 to the public hearing requirements of subsection (b) of this Code section if it is again
 439 submitted to the local legislative body for approval, either in the same or amended form.

440 (d) Once approved by the local legislative body, a redevelopment plan may be amended
 441 only by the local legislative body of the political subdivision. The local legislative body
 442 shall cause the date, time, place, and purpose of any meeting of the local legislative body
 443 at which an amendment to a redevelopment plan is to be considered to be advertised in the
 444 same manner as prescribed by subsection (c) of this Code section for a meeting to consider
 445 the adoption of a redevelopment plan.

446 36-44-8.

447 In order to create and carry out the purposes of a tax allocation district, the following steps
 448 are required:

449 (1) Preparation by the redevelopment agency of a redevelopment plan for the proposed
 450 tax allocation district and its submission for consent to the political subdivision or board
 451 of education required to consent, if the plan proposes to include in the tax allocation
 452 increment ad valorem property taxes levied by a political subdivision or board of
 453 education required to consent to such inclusion under Code Section 36-44-9, or if the plan
 454 proposes to pledge for payment or security for payment of tax allocation bonds and other
 455 redevelopment costs the general funds of a county required to consent to such inclusion
 456 under Code Section 36-44-9;

457 (2) Submission of the redevelopment plan to the local legislative body of the political
 458 subdivision whose area of operation will include the tax allocation district;

459 (3) Adoption by the local legislative body of a resolution approving the redevelopment
 460 plan and which:

461 (A) Describes the boundaries of the tax allocation district with sufficient definiteness
 462 to identify with ordinary and reasonable certainty the territory included. The
 463 boundaries shall include only those whole units of property assessed for ad valorem
 464 property tax purposes;

465 (B) Creates the district on December 31 following the adoption of the resolution or on
 466 December 31 of a subsequent year as determined by the local legislative body;

467 (C) Assigns a name to the district for identification purposes. The first district created
 468 shall be known as 'Tax Allocation District Number 1,' followed by the name of the
 469 political subdivision within whose area of operation the district is located;

470 (D) Specifies the estimated tax allocation increment base;

471 (E) Specifies ad valorem property taxes to be used for computing tax allocation
 472 increments;

473 (F) Specifies the property proposed to be pledged for payment or security for payment
 474 of tax allocation bonds which property may include positive tax allocation increments
 475 derived from the tax allocation district, all or part of general funds derived from the tax
 476 allocation district, and any other property from which bonds may be paid under Code
 477 Section 36-44-14, as determined by the political subdivision subject to the limitations
 478 of Code Sections 36-44-9 and 36-44-20; and

479 (G) Contains findings that:

480 (i) The redevelopment area on the whole has not been subject to growth and
 481 development through private enterprise and would not reasonably be anticipated to
 482 be developed without the approval of the redevelopment plan or includes one or more
 483 natural, historical, or cultural assets which have not been adequately preserved or
 484 protected and such asset or assets would not reasonably be anticipated to be
 485 adequately preserved, protected, or improved without the approval of the
 486 redevelopment plan; and

487 (ii) The improvement of the area is likely to enhance the value of a substantial
 488 portion of the other real property in the district.

489 If any information required to be included in the resolution approving the redevelopment
 490 plan under subparagraphs (A) through (G) of this paragraph is contained in the
 491 redevelopment plan, then the resolution approving the redevelopment plan may
 492 incorporate by reference that portion of the redevelopment plan containing said
 493 information; and

494 (4) A certified copy of any resolution giving the consent required under paragraph (1)
 495 of this Code section must be submitted to the local legislative body of the political
 496 subdivision whose area of operation will include the tax allocation district prior to
 497 inclusion of such ad valorem property taxes or general funds in calculation of the tax
 498 allocation increment.

499 36-44-9.

500 (a) When a tax allocation district is created within the area of operation of a municipality
 501 by the local legislative body of such municipality, property taxes for computing tax
 502 allocation increments shall be based on all ad valorem property taxes levied by the
 503 municipality. If the municipality has an independent school system, ad valorem property
 504 taxes levied for educational purposes by the municipality shall be included in computing
 505 the tax allocation increments if the local legislative body of the municipality is empowered
 506 to make the determination of the municipal ad valorem tax millage rate for educational
 507 purposes. If the board of education of the independent school system is empowered to set
 508 the ad valorem tax millage rate for educational purposes and the local legislative body of
 509 the municipality does not have the authority to modify such rate set by the board of
 510 education, the tax allocation increment shall not be computed on the basis of municipal
 511 taxes for educational purposes unless the board of education of the independent school
 512 system consents, by resolution duly adopted by said board of education, to the inclusion
 513 of educational ad valorem property taxes as a basis for computing tax allocation
 514 increments.

515 (b) County ad valorem property taxes may be included in the computation of tax allocation
 516 increments of a municipal tax allocation district if the local legislative body of the county
 517 consents to such inclusion by resolution duly adopted by said local legislative body. For
 518 those municipalities which do not have an independent school system, ad valorem property
 519 taxes levied for county school district purposes may be included in the computation of tax
 520 allocation increments of a municipal tax allocation district if the county board of education
 521 or the local legislative body of the county, whichever is authorized to establish the ad
 522 valorem tax millage rate for educational purposes, consents to such inclusion by resolution
 523 duly adopted by said board of education or local legislative body, respectively.

524 (c) When a tax allocation district is created within the area of operation of a county by the
 525 local legislative body of the county, property taxes for computing tax allocation increments
 526 shall be based on all county ad valorem property taxes levied for county governmental
 527 purposes. Ad valorem property taxes levied for county school district purposes may be
 528 included in the computation of tax allocation increments for a county tax allocation district
 529 if the board of education of the county school district or the local legislative body of the

530 county, whichever is authorized to establish the ad valorem tax millage rate for educational
531 purposes, consents to such inclusion by resolution duly adopted by said board of education
532 or local legislative body, respectively.

533 (d) When a tax allocation district is created within the area of operation of a consolidated
534 government by the local legislative body of the consolidated government, property taxes
535 for computing tax allocation increments shall be based on all consolidated government ad
536 valorem property taxes levied for consolidated government purposes. Ad valorem property
537 taxes levied for school district purposes within the boundaries of the consolidated
538 government may be included in the computation of tax allocation increments for a
539 consolidated government tax allocation district if the board of education of such school
540 district or the local legislative body of the consolidated government, whichever is
541 authorized to establish the ad valorem tax millage rate for educational purposes within the
542 school district, consents to such inclusion by resolution duly adopted by said board of
543 education or local legislative body, respectively.

544 (e) The resolution of any county, municipality, consolidated government or board of
545 education consenting to the inclusion of ad valorem property taxes in the computation of
546 tax increments shall not specify the inclusion of any ad valorem property taxes not
547 specified in the resolution creating the tax allocation district.

548 (f) A county may pledge all or part of county general funds derived from a municipal tax
549 allocation district for payment or security of payment of tax allocation bonds issued by the
550 municipality and for payment of other redevelopment costs of the tax allocation district if
551 the local legislative body of the county consents to the use of such general funds by
552 resolution duly adopted by said local legislative body.

553 (g) Any consent by a local board of education to the inclusion of educational ad valorem
554 property taxes as a basis for computing tax allocation increments and any authorization to
555 use such funds for such purposes that was approved before January 1, 2009, and not
556 rescinded or repealed prior to the effective date of this Code section is ratified and
557 confirmed pursuant to the authority granted by Article IX, Section II, Paragraph VII of the
558 Constitution, as amended by a resolution ratified at the November, 2008 general election,
559 Ga. L. 2008, p. 777, to authorize the use of county, municipal, and school tax funds, or any
560 combination thereof, for redevelopment purposes and programs notwithstanding
561 Article VIII, Section VI or any other provision of the Constitution and regardless of
562 whether any county, municipality, or local board of education approved the use of such tax
563 funds for such purposes and programs before or after January 1, 2009.

564 36-44-10.

565 (a) No later than the effective date of the creation of the tax allocation district, the
566 redevelopment agency shall apply, in writing, to the state revenue commissioner for a
567 determination of the tax allocation increment base of the tax allocation district. Within a
568 reasonable time, and not exceeding 60 days after the effective date of the creation of the
569 tax allocation district, the state revenue commissioner shall certify such tax allocation
570 increment base, as of the effective date of the creation of the tax allocation district, to the
571 redevelopment agency, and such certification, unless amended pursuant to subsection (b)
572 of this Code section, shall constitute the tax allocation increment base of the tax allocation
573 district.

574 (b) If the local legislative body of a political subdivision adopts an amendment to the
575 resolution which created a tax allocation district and such amendment changes the
576 boundaries of that tax allocation district so as to cause additional redevelopment costs for
577 which tax allocation increments may be received by the political subdivision, the tax
578 allocation increment base for the revised or amended district shall be redetermined
579 pursuant to subsection (a) of this Code section as of the effective date of such amendment.
580 The tax allocation increment base as redetermined under this subsection is effective for the
581 purposes of this chapter only if it exceeds the original tax allocation increment base
582 determined under subsection (a) of this Code section.

583 (c) It is a rebuttable presumption that any property within a tax allocation district acquired
584 or leased as lessee by the political subdivision, or any agency or instrumentality thereof,
585 within one year immediately preceding the date of the creation of the district was so
586 acquired or leased in contemplation of the creation of the district. The presumption may
587 be rebutted by the political subdivision with proof that the property was so leased or
588 acquired primarily for a purpose other than to reduce the tax allocation increment base. If
589 the presumption is not rebutted, in determining the tax allocation increment base of the
590 district, but for no other purpose, the taxable status of the property shall be determined as
591 though such lease or acquisition had not occurred.

592 (d) For each political subdivision whose area of operation includes a tax allocation district,
593 the county board of tax assessors, joint city-county board of tax assessors, or board of tax
594 assessors for a consolidated government, as the case may be, shall identify upon the tax
595 digests of the political subdivision those parcels of property which are within each existing
596 tax allocation district, specifying the name of each district. A similar notation shall appear
597 on tax digests submitted to the state revenue commissioner pursuant to Code Section
598 48-5-302, relative to the submission of tax digests to the state revenue commissioner.

599 (e) The county board of tax assessors, joint city-county board of tax assessors, or
600 consolidated government board of tax assessors shall annually give notice to the county tax
601 collector or tax commissioner and to the municipal official responsible for collecting

602 municipal ad valorem property taxes as to both the current taxable value of property subject
 603 to ad valorem property taxes within each tax allocation district and the tax allocation
 604 increment base. The notice shall also explain that any taxes collected as a result of
 605 increases in the tax allocation increment base constitute tax allocation increments and shall
 606 be paid to the appropriate political subdivision as provided by subsection (b) of Code
 607 Section 36-44-11.

608 36-44-11.

609 (a) Positive tax allocation increments of a tax allocation district shall be allocated to the
 610 political subdivision which created the district for each year from the effective date of the
 611 creation of the district until that time when all redevelopment costs and all tax allocation
 612 bonds of the district have been paid or provided for, subject to any agreement with
 613 bondholders. General funds derived from the tax allocation district which have been
 614 pledged for payment or security for payment of tax allocation bonds and other
 615 redevelopment costs of the tax allocation district shall also be allocated to the political
 616 subdivision which created the district for each year from the effective date of the creation
 617 of the district until that time when all redevelopment costs and all tax allocation bonds have
 618 been paid or provided for, subject to any agreement with bondholders.

619 (b)(1) Each county tax collector or tax commissioner, municipal official responsible for
 620 collecting municipal ad valorem property taxes, or consolidated government official
 621 responsible for collecting consolidated government ad valorem property taxes shall, on
 622 the dates provided by law for the payment of taxes collected to the respective political
 623 subdivisions, pay over to the appropriate fiscal officer of each political subdivision
 624 having created a tax allocation district, out of taxes collected on behalf of such political
 625 subdivision, including but not limited to taxes collected for a political subdivision or
 626 board of education consenting, pursuant to Code Section 36-44-9, to inclusion of its ad
 627 valorem property taxes in the computation of tax allocation increments for that tax
 628 allocation district, that portion, if any, which represents positive tax allocation increments
 629 payable to such political subdivision.

630 (2) In addition, each county shall, upon receipt, pay over to the appropriate fiscal officer
 631 of each municipality having created a tax allocation district that portion, if any, of its
 632 general funds derived from the tax allocation district which have been pledged for
 633 payment or security for payment of tax allocation bonds and for payment of other
 634 redevelopment costs of the tax allocation district pursuant to Code Section 36-44-9.

635 (c) All positive tax allocation increments received for a tax allocation district shall be
 636 deposited into a special fund for the district upon receipt by the fiscal officer of the political
 637 subdivision. All general funds derived from the tax allocation district which have been

638 pledged for payment or security for payment of tax allocation bonds and other
639 redevelopment costs of the tax allocation district shall be deposited upon receipt into the
640 special fund. Any lease or other contract payments made under the district's redevelopment
641 plan shall also be deposited upon receipt into the special fund. Moneys derived from
642 positive tax allocation increments, general fund moneys, and moneys derived from lease
643 or other contract payments shall be accounted for separately within the special fund.
644 Moneys shall be paid out of the fund only to pay redevelopment costs of the district or to
645 satisfy claims of holders of tax allocation bonds issued for the district. The local legislative
646 body shall irrevocably pledge all or a part of such special fund to the payment of the tax
647 allocation bonds. The special fund or designated part thereof may thereafter be used only
648 for the payment of the tax allocation bonds and interest until they have been fully paid, and
649 a holder of said bonds shall have a lien against the special fund or said designated part
650 thereof pledged for payment of said bonds and may either at law or in equity protect and
651 enforce the lien. General funds derived from the tax allocation district may be used for
652 payment of tax allocation bonds only to the extent that positive tax allocation increments
653 and lease or other contract payments in the special fund are insufficient at any time to pay
654 principal and interest due on such bonds. Subject to any agreement with bondholders,
655 moneys in the fund may be temporarily invested in the same manner as other funds of the
656 political subdivision. Except as provided in Code Section 36-44-20, general funds derived
657 from the tax allocation district may be used for payment of tax allocation bonds only to the
658 extent that positive tax allocation increments and lease or other contract payments in the
659 special fund are insufficient at any time to pay the principal and interest due on such bonds.
660 After all redevelopment costs and all tax allocation bonds of the district have been paid or
661 provided for, subject to any agreement with bondholders, if there remains in the fund any
662 moneys derived from positive tax allocation increments, they shall be paid over to each
663 county, municipality, consolidated government, or county or independent board of
664 education whose ad valorem property taxes were affected by the tax allocation district in
665 proportion to the aggregate contribution of such taxes by such political subdivision less
666 aggregate payments to such political subdivision pursuant to subparagraph (G) of
667 paragraph (8) of Code Section 36-44-3 and in the same manner as the most recent
668 distribution by the county tax collector or tax commissioner, municipal official responsible
669 for collecting municipal ad valorem property taxes, or consolidated government official
670 responsible for collecting consolidated government ad valorem property taxes. If there
671 remains in the fund any other moneys, they shall be paid over to each political subdivision
672 which contributed to the fund in proportion to the respective total contribution each made
673 to the fund.

674 36-44-12.

675 The existence of a tax allocation district shall terminate when the local legislative body, by
 676 resolution, dissolves the district, but no such resolution may be adopted until all
 677 redevelopment costs have been paid.

678 36-44-13.

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

681 (1) Payment by the political subdivision from the special fund of the tax allocation
 682 district;

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

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

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

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

693 (6) Lease payments and other payments pursuant to contracts under a redevelopment
 694 plan.

695 36-44-14.

696 (a) Only for the purpose of paying redevelopment costs for a tax allocation district created
 697 under this chapter, the local legislative body may issue tax allocation bonds. Tax allocation
 698 bonds are declared to be negotiable instruments. Tax allocation bonds issued under the
 699 provisions of this chapter are declared to be issued for an essential public and governmental
 700 purpose and, together with interest thereon and income therefrom, shall be exempted from
 701 all taxes.

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

707 (c) Tax allocation bonds, notes, or other obligations issued by a local legislative body
 708 under this chapter shall be payable solely from the property pledged, mortgaged, conveyed,

709 assigned, hypothecated, or otherwise encumbered to secure or to pay such bonds, notes, or
 710 other obligations, which property shall be limited to real or personal property acquired
 711 pursuant to this chapter and the proceeds from any source from which redevelopment costs
 712 may be paid under Code Section 36-44-13, but subject to the limitations of Code Sections
 713 36-44-9 and 36-44-20. Each such bond, note, or other obligation shall contain recitals as
 714 are necessary to show that it is only so payable and that it does not otherwise constitute an
 715 indebtedness or a charge against the general taxing power of the political subdivision or
 716 county or independent board of education consenting to the use of property taxes as a basis
 717 for computing tax allocation increments or consenting to the use of general funds derived
 718 from the tax allocation district.

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

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

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

727 (e) Tax allocation bonds, notes, or other obligations shall bear such date or dates, shall
 728 mature at such time or times not more than 30 years from their respective dates, shall bear
 729 interest at such rate or rates which may be fixed or may fluctuate or otherwise change from
 730 time to time, shall be subject to redemption on such terms, and shall contain such other
 731 terms, provisions, covenants, assignments, and conditions as the resolution authorizing the
 732 issuance of such bonds, notes, or other obligations may permit or provide. The terms,
 733 provisions, covenants, assignments, and conditions contained in or provided or permitted
 734 by any resolution of the local legislative body authorizing the issuance of such tax
 735 allocation bonds, notes, or other obligations shall bind the members of the local legislative
 736 body then in office and their successors.

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

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

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

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

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

763 (k) In lieu of specifying the rate or rates of interest which tax allocation bonds to be issued
764 by a local legislative body are to bear, the notice to the district attorney or the Attorney
765 General, the notice to the public of the time, place, and date of the validation hearing, and
766 the petition and complaint for validation may state that the bonds when issued will bear
767 interest at a rate not exceeding a maximum per annum rate of interest, which rate may be
768 fixed or may fluctuate or otherwise change from time to time, specified in such notices and
769 petition and complaint or may state that, in the event the bonds are to bear different rates
770 of interest for different maturity dates, none of such rates will exceed the maximum rate
771 so specified, which rate may be fixed or may fluctuate or otherwise change from time to
772 time; provided, however, that nothing in this Code section shall be construed as prohibiting
773 or restricting the right of a local legislative body to sell such tax allocation bonds at a
774 discount, even if in doing so the effective interest cost resulting therefrom would exceed
775 the maximum per annum interest rate specified in such notices and in the petition and
776 complaint.

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

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

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

790 (o) Issuance by a local legislative body of one or more series of tax allocation bonds,
791 notes, or other obligations for one or more purposes shall not preclude it from issuing other
792 tax allocation bonds, notes, or other obligations in connection with the same redevelopment
793 plan or with any other redevelopment plan; but the proceeding wherein any subsequent
794 bonds, notes, or other obligations are issued shall recognize and protect any prior loan
795 agreement, mortgage, deed to secure debt, trust deed, security agreement, or other
796 agreement or instrument made for any prior issue of bonds, notes, or other obligations,
797 unless in the resolution authorizing such prior issue the right is expressly reserved to the
798 local legislative body to issue subsequent bonds, notes, or other obligations on a parity with
799 such prior issue. Once the political subdivision certifies by resolution that all tax allocation
800 bonds contemplated by the redevelopment plan and all amendments thereto have been
801 issued and all other redevelopment costs within a tax allocation district have been paid, all
802 positive tax allocation increments collected within a tax allocation district shall be used to
803 retire outstanding tax allocation bonds prior to their stated maturities, subject to any
804 agreements made by the political subdivision with bondholders.

805 (p) A local legislative body shall have the power and is authorized, whenever tax
806 allocation bonds of the local legislative body shall have been validated as provided in this
807 chapter, to issue from time to time its notes in anticipation of such bonds as validated and
808 to renew from time to time any such notes by the issuance of new notes, whether or not the
809 notes to be renewed have matured. The local legislative body may issue such bond
810 anticipation notes only to provide funds which would otherwise be provided by the
811 issuance of the bonds as validated. Such notes may be authorized, sold, executed, and
812 delivered in the same manner as bonds. As with its bonds, the local legislative body may
813 sell such notes at public sale or at private sale. Any resolution or resolutions authorizing
814 such notes of the local legislative body or any issue thereof may contain any provisions
815 which the local legislative body is authorized to include in any resolution or resolutions
816 authorizing bonds of the local legislative body to any issue thereof; and the local legislative
817 body may include in any such notes any terms, covenants, or conditions which the local
818 legislative body is authorized to include in any bonds. Validation of such bonds shall be

819 a condition precedent to the issuance of such notes, but it shall not be required that such
820 notes be judicially validated. Bond anticipation notes shall not be issued in an amount
821 exceeding the par value of the bonds in anticipation of which they are to be issued.

822 36-44-15.

823 For the purpose of fixing the tax millage rate to fund the annual budget of each political
824 subdivision or county or independent board of education having the power to levy taxes or
825 set ad valorem tax millage rates on property located within a tax allocation district, which
826 has consented to the inclusion of its ad valorem property taxes for the computation of tax
827 allocation increments as provided in Code Section 36-44-9, the taxable value of property
828 subject to ad valorem property taxes within a tax allocation district shall not exceed the tax
829 allocation increment base of the district until the district is terminated. Nothing in this
830 chapter shall be construed to freeze the ad valorem tax millage rate of any political
831 subdivision or county or independent board of education consenting to the inclusion of its
832 ad valorem property taxes as a basis for computing tax allocation increments, and any such
833 rate may be increased or decreased at any time after the creation of a tax allocation district
834 in the same manner and under the same authority that such rate has been previously fixed
835 by such political subdivision or county or independent board of education.

836 36-44-16.

837 As an additional source for financing redevelopment costs, a political subdivision or its
838 redevelopment agency may borrow funds from financial institutions and, in connection
839 therewith, may pledge or assign lease contracts or revenue received from lease contracts
840 on property owned by the political subdivision or its redevelopment agency within a
841 redevelopment area. A political subdivision or its redevelopment agency is authorized to
842 enter into contracts with financial institutions for the purpose of exercising the authority
843 provided by this Code section, and such contracts may obligate the political subdivision or
844 its redevelopment agency for any number of years not exceeding 25. Contractual
845 obligations incurred by a political subdivision pursuant to this Code section shall not
846 constitute debt within the meaning of Article IX, Section V of the Constitution.

847 36-44-17.

848 No political subdivision may create a tax allocation district when the total current taxable
849 value of property subject to ad valorem property taxes within the proposed district plus the
850 total current taxable value of property subject to ad valorem property taxes within all its
851 existing tax allocation districts exceeds 10 percent of the total current taxable value of all
852 taxable property located within the area of operation of the political subdivision.

853 36-44-18.

854 It is specifically provided that Code Section 36-61-16 of the 'Urban Redevelopment Law,'
855 which Code section provides for cooperation among public bodies for redevelopment
856 purposes under said law, shall be applicable to the exercise of redevelopment powers
857 provided by this chapter.

858 36-44-19.

859 A political subdivision may enter into any contract relating to the exercise of its
860 redevelopment powers under this chapter with any private persons, firms, corporations, or
861 business entities for any period not exceeding 30 years. Such contracts may include,
862 without being limited to, contracts to convey or otherwise obligate real property for
863 redevelopment under this chapter although that property has not yet been acquired at the
864 time of contracting by the county or municipality.

865 36-44-20.

866 (a) Notwithstanding any other provisions of this chapter, a local legislative body may use,
867 pledge, or otherwise obligate its general funds for payment or security for payment of tax
868 allocation bonds issued or incurred under this chapter but only if those general funds are
869 derived from a designated tax allocation district and used for payment or security for
870 payment of tax allocation bonds issued or incurred under this chapter for redevelopment
871 of that district and only to the extent that positive tax increments or lease or other contract
872 payments in that district's special fund are insufficient at any time to pay principal and
873 interest due on such bonds.

874 (b) The requirement of insufficiency provided for in subsection (a) of this Code section
875 may be satisfied by adoption of a resolution of the local legislative body finding that
876 positive tax increments or lease or other contract payments in the district's special fund will
877 be insufficient to pay principal and interest on bonds to be issued to finance redevelopment
878 costs for the redevelopment described in the redevelopment plan.

879 36-44-21.

880 (a) No elected or appointed official or employee of a political subdivision or a board,
881 commission, or redevelopment agency thereof shall voluntarily acquire any interest, direct
882 or indirect, in any property included or planned to be included in a redevelopment area, or
883 in any contract or transaction or proposed contract or transaction in connection with the
884 redevelopment of that redevelopment area. Where such acquisition is not voluntary, the
885 interest acquired shall be immediately disclosed in writing to the local legislative body and
886 such disclosure shall be entered upon the minutes of the local legislative body. Any such

887 electd or appointed official or employee who, within two years immediately prior to the
 888 date the plan is submitted to a local legislative body under subsection (b) of Code Section
 889 36-44-7, acquires ownership or control of any interest, direct or indirect, in any property
 890 which is included in the redevelopment area designated in that plan and who retains that
 891 ownership or control at the time that such plan is so submitted shall, at least 30 days prior
 892 to the date scheduled for the local legislative body to adopt the plan, disclose the interest
 893 in writing to the local legislative body and such disclosure shall be entered upon the
 894 minutes of the local legislative body, and that person shall not participate in any action by
 895 the political subdivision, board, commission, or redevelopment agency thereof which
 896 affects that property. Any disclosure required to be made by this subsection shall
 897 concurrently be made to the redevelopment agency.

898 (b) Any contract or transaction in violation of subsection (a) of this Code section or
 899 disclosure of which is not made as provided in that subsection (a) shall be voidable by the
 900 local legislative body. This subsection shall not apply to any indenture, agreement,
 901 contract, or transaction which constitutes security, direct or indirect, for payment of bonds
 902 or other obligations incurred pursuant to a redevelopment plan, and the judgment and order
 903 confirming and validating any such bonds or other obligations shall constitute a final and
 904 conclusive adjudication as to any such security.

905 (c) Failure by an official or employee to comply with subsection (a) of this Code section
 906 shall constitute misconduct in office.

907 36-44-22.

908 Redevelopment powers under this chapter may not be exercised by any political
 909 subdivision unless so authorized by a local law relating thereto, which local law may limit
 910 but may not expand those redevelopment powers established by this chapter as to the local
 911 political subdivision to which the local law is applicable. Such local law, and all
 912 amendments thereto, shall become effective only if approved in a special election by a
 913 majority of the qualified voters voting of each political subdivision directly affected, which
 914 special election shall be held as provided in that local law, but in conformity with the
 915 requirements for special elections pursuant to Title 21.

916 36-44-23.

917 The powers provided by this chapter are intended by the General Assembly to be
 918 cumulative and supplemental to any powers heretofore provided by law for counties,
 919 municipalities, and consolidated governments of this state and not in lieu of any such
 920 heretofore existing powers."

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SECTION 3.

Said title is further amended in Chapter 80, relating to general provisions regarding counties, municipalities, and other governmental entities, by adding a new Code section to read as follows:

"36-80-16.1.

(a) This Code section shall be known and may be cited as the 'PILOT Restriction Act.'

(b) As used in this Code section, 'payments in lieu of taxes' means payments made directly or indirectly:

(1) Primarily in consideration of the issuance of revenue bonds or other revenue obligations and the application by the issuer of such bonds or other obligations of the proceeds of such bonds or other obligations to finance all or a portion of the costs of acquiring, constructing, equipping, or installing a capital project; and

(2) In further consideration of the laws of the State of Georgia granting an exemption from ad valorem taxation for such capital project,

to or for the account of the issuer of revenue bonds or other revenue obligations or the public bodies whose consent would otherwise be required, in the case of the separate payments provided for under subsection (d) of this Code section. Payments in lieu of taxes shall be deemed to be payments in lieu of taxes for educational purposes in the same proportion that property taxes for educational purposes would bear to total property taxes on such capital project if the project were subject to ad valorem property taxation. The term 'payments in lieu of taxes' shall not include payments made primarily in consideration for the use or occupancy of property, including but not limited to lease payments or rent paid under a lease, regardless of whether or not the lessee or tenant holds an interest that is taxable for property tax purposes.

(c)(1) No local government authority, as defined in Code Section 36-80-16, shall be authorized to issue revenue bonds or other revenue obligations to finance, in whole or in part, any capital project if the terms governing such revenue bonds or other revenue obligations provide for such capital project to be used primarily by a nongovernmental user or users that have no taxable property interest in any portion of such capital project and provide for such revenue bonds or other revenue obligations to be repaid, in whole or in part, through payments in lieu of taxes made by a nongovernmental user or users, unless:

(A) Each of the local governments that have property tax levying authority in the area in which such capital project is located consents by ordinance or resolution to the use of payments in lieu of taxes for such purposes; and

(B) In the case of payments in lieu of taxes for educational purposes, a consent is obtained that covers the use for such purposes of such payments in accordance with

958 subsection (d) of this Code section, except that the terms governing such revenue bonds
959 or other revenue obligations may provide for one or more of the public bodies, whose
960 consent would otherwise be required, instead to receive, in such capacity, separate
961 payments in lieu of taxes at least equal to the property taxes that such public body or
962 bodies would have received if the capital project were subject to ad valorem taxation
963 or in such other amount or amounts as may be agreed to by such public body or bodies.
964 (2) No such revenue bonds or other revenue obligations may be so issued without
965 compliance with the requirements of paragraph (1) of this subsection.
966 (d)(1) When a capital project is located within the boundaries of a municipality with an
967 independent school system, a consent by the municipality under subparagraph (c)(1)(B)
968 of this Code section shall cover the use of payments in lieu of taxes for educational
969 purposes, provided that, if the board of education of the independent school system is
970 empowered to set the ad valorem tax millage rate for educational purposes and the
971 legislative body of the municipality does not have the authority to modify such rate set
972 by the board of education, the requisite consent shall be that of the board of education of
973 the independent school system rather than that of the legislative body of the municipality.
974 (2) For those municipalities which do not have an independent school system, a consent
975 by the municipality under subparagraph (c)(1)(B) of this Code section shall cover the use
976 of payments in lieu of taxes for educational purposes if the county board of education or
977 the local legislative body of the county, whichever is authorized to establish the ad
978 valorem tax millage rate for educational purposes, consents to such coverage by
979 resolution duly adopted by said board of education or local legislative body, as
980 appropriate.
981 (3) The use of payments in lieu of taxes levied for county school district purposes shall
982 be covered by a consent under subparagraph (c)(1)(B) of this Code section if the board
983 of education of the county school district or the local legislative body of the county,
984 whichever is authorized to establish the ad valorem tax millage rate for educational
985 purposes, consents to such coverage by resolution duly adopted by said board of
986 education or local legislative body, as appropriate.
987 (4) The use of payments in lieu of taxes levied for school district purposes within the
988 boundaries of a consolidated government shall be covered by a consent under
989 subparagraph (c)(1)(B) of this Code section if the board of education of such school
990 district or the local legislative body of the consolidated government, whichever is
991 authorized to establish the ad valorem tax millage rate for educational purposes within
992 the school district, consents to such coverage by resolution duly adopted by said board
993 of education or local legislative body, as appropriate.

994 (e) This Code section shall not affect revenue bonds or other revenue obligations which
995 any local government authority has issued or which have been judicially validated on or
996 before the effective date of this Code section. Each county board of tax assessors shall
997 continue, notwithstanding this Code section, to exercise its powers and discharge its duties
998 and is specifically authorized, without limitation, to use a method or methods of valuation
999 for leases related to revenue bonds or other revenue obligations issued by a local
1000 government authority for a capital project or projects to be leased primarily to a
1001 nongovernmental user or users, based on assessments of the increasing interest of the
1002 nongovernmental user or users in the real or personal property, or both, over the term of
1003 the lease, or to use a simplified method or methods employing a specified percentage or
1004 specified percentages of such leasehold interests. Each local government authority that is
1005 authorized to issue revenue bonds or other revenue obligations secured by a taxable
1006 property interest, such as a taxable lease of a capital project, shall continue,
1007 notwithstanding this Code section, to exercise its powers and discharge its duties,
1008 including, in the case of development authorities, the development of trade, commerce,
1009 industry, and employment opportunities. Any local government or local government
1010 authority which directly or indirectly receives payments in lieu of taxes shall be authorized
1011 to use the same for any governmental or public purpose of such local government or local
1012 government authority."

1013 **SECTION 4.**

1014 This Act shall become effective upon its approval by the Governor or upon its becoming law
1015 without such approval.

1016 **SECTION 5.**

1017 All laws and parts of laws in conflict with this Act are repealed.