

Senate Bill 32

By: Senators Shafer of the 48th, Seabaugh of the 28th and Hill of the 32nd

A BILL TO BE ENTITLED
AN ACT

1 To amend Code Section 46-2-28 of the Official Code of Georgia Annotated, relating to the
2 procedure for issuance of stocks, bonds, notes, or other debt by companies under the Public
3 Service Commission's jurisdiction, so as to provide for exemption from those procedures
4 under certain circumstances; to provide for related matters; to provide for an effective date;
5 to repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Code Section 46-2-28 of the Official Code of Georgia Annotated, relating to the procedure
9 for issuance of stocks, bonds, notes, or other debt by companies under the Public Service
10 Commission's jurisdiction, is amended by adding a new subsection to read as follows:

11 "(g) Notwithstanding any other provision of this Code section or any other provision of
12 law, local exchange companies as defined in paragraph (10) of Code Section 46-5-162
13 under the commission's jurisdiction shall be exempt from the provisions of this Code
14 section, if the stocks, bonds, notes, or other evidences of debt are issued as part of a debt
15 transaction that is an interstate transaction, as evidenced by the following:

16 (1) The local exchange company is a wholly owned subsidiary of a parent company
17 headquartered or domiciled in a foreign jurisdiction;

18 (2) The debt transaction is by and between the parent company, the primary obligor, and
19 a national bank or other lending or financial institution licensed or authorized to enter into
20 such debt transaction by any state or federal agency; and

21 (3) The local exchange company is issuing stocks, bonds, notes, or other evidences of
22 debt for the purpose of providing collateral or other security to the lending or financial
23 institution in order to accommodate the debt transaction of a parent company or other
24 entity."

25 **SECTION 2.**

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

28 **SECTION 3.**

29 All laws and parts of laws in conflict with this Act are repealed.