

Senate Bill 258

By: Senator Butterworth of the 50th

A BILL TO BE ENTITLED
AN ACT

1 To amend Code Section 36-62-5 of the Official Code of Georgia Annotated, relating to
2 directors, officers, compensation, adoption of bylaws, delegation of powers and duties,
3 conflicts of interest, and audits relative to development authorities, and Code Section
4 36-62A-1 of the Official Code of Georgia Annotated, relating to ethics and conflicts of
5 interest regarding members of development authorities, so as to modify provisions relating
6 to the conduct of directors of local development authorities; to provide for related matters;
7 to repeal conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 Code Section 36-62-5 of the Official Code of Georgia Annotated, relating to directors,
11 officers, compensation, adoption of bylaws, delegation of powers and duties, conflicts of
12 interest, and audits relative to development authorities, is amended by revising paragraph (1)
13 of subsection (e) as follows:

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

17 (B) The provisions of paragraph (9) of Code Section 45-10-3 and subparagraph (A) of
18 this paragraph shall be deemed to have been complied with and the authority may
19 purchase from, sell to, borrow from, loan to, contract with, or otherwise deal with any
20 director or any organization or person with which any director of the authority is in any
21 way interested or involved, provided (1) that any interest or involvement by such
22 director is disclosed in advance to the directors of the authority and is recorded in the
23 minutes of the authority, (2) that any interest or involvement by such director with a
24 value in excess of \$200.00 per calendar quarter is published by the authority one time
25 in the legal organ in which notices of sheriffs' sales are published in each county
26 affected by such interest, at least 30 days in advance of consummating such transaction,

27 (3) that no director having a substantial interest or involvement may be present at that
 28 portion of an authority meeting during which discussion of any matter is conducted
 29 involving any such organization or person, and (4) that no director having a substantial
 30 interest or involvement may participate in any decision of the authority relating to any
 31 matter involving such organization or person. As used in this subsection, a 'substantial
 32 interest or involvement' means any interest or involvement which reasonably may be
 33 expected to result in a direct financial benefit to such director as determined by the
 34 authority, which determination shall be final and not subject to review. The
 35 requirements of item (2) of this subparagraph shall not apply to any interest or
 36 involvement that would not reasonably be expected to influence a director as
 37 determined by the authority. A determination by an authority that an interest or
 38 involvement would not reasonably be expected to influence a director shall be final and
 39 not subject to review."

40 **SECTION 2.**

41 Code Section 36-62A-1 of the Official Code of Georgia Annotated, relating to ethics and
 42 conflicts of interest regarding members of development authorities, is amended by revising
 43 paragraph (2) of subsection (a) as follows:

44 "(2) The provisions of paragraph (9) of Code Section 45-10-3 and of paragraph (1) of this
 45 subsection shall be deemed to have been complied with and any such authority may
 46 purchase from, sell to, borrow from, loan to, contract with, or otherwise deal with any
 47 director or member or any organization or person with which any director or member of
 48 said authority is in any way interested or involved, provided (1) that any interest or
 49 involvement by such director or member is disclosed in advance to the directors or
 50 members of the authority and is recorded in the minutes of the authority, (2) that any
 51 interest or involvement by such director with a value in excess of \$200.00 per calendar
 52 quarter is published by the authority one time in the legal organ in which notices of
 53 sheriffs' sales are published in each county affected by such interest, at least 30 days in
 54 advance of consummating such transaction, (3) that no director having a substantial
 55 interest or involvement may be present at that portion of an authority meeting during
 56 which discussion of any matter is conducted involving any such organization or person,
 57 and (4) that no director having a substantial interest or involvement may participate in
 58 any decision of the authority relating to any matter involving such organization or person.
 59 As used in this subsection, a 'substantial interest or involvement' means any interest or
 60 involvement which reasonably may be expected to result in a direct financial benefit to
 61 such director or member as determined by the authority, which determination shall be
 62 final and not subject to review. The requirements of item (2) of this paragraph shall not

63 apply to any interest or involvement that would not reasonably be expected to influence
64 a director as determined by the authority. A determination by an authority that an interest
65 or involvement would not reasonably be expected to influence a director shall be final
66 and not subject to review."

67 **SECTION 3.**

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