

The House Committee on Budget & Fiscal Affairs Oversight offers the following substitute to SB 140:

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 16 of Title 20 of the Official Code of Georgia Annotated, relating to the
2 Georgia Higher Education Facilities Authority, so as to change provisions relative to projects
3 and bonds of the authority; to further define what constitutes a self-liquidating project; to
4 increase the bonding capacity of the authority; to provide that bonds may be issued only to
5 the extent of a percentage of the net revenues to the authority; to provide for related matters;
6 to provide an effective date; to repeal conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Chapter 16 of Title 20 of the Official Code of Georgia Annotated, relating to the Georgia
10 Higher Education Facilities Authority, is amended in Code Section 20-16-2, relating to
11 definitions applicable to the authority, by revising subsection (b) as follows:

12 "(b) Any project or combination of projects shall be deemed 'self-liquidating,' if, in the
13 judgment of the authority, the revenues, rents, or earnings to be derived by the authority
14 ~~therefrom~~ directly from the project or combination of projects will be sufficient to pay the
15 cost of maintaining, repairing, and operating the project and to pay the principal of and
16 interest on revenue bonds which may be issued for the cost of such project, projects, or
17 combination of projects.

18 **SECTION 2.**

19 Said chapter is further amended in Code Section 20-16-5, relating to revenue bonds of the
20 authority, by revising subsection (f) and adding a new subsection (g) to read as follows:

21 "(f) The authority shall not have outstanding at any one time bonds and notes exceeding
22 ~~\$300~~ \$400 million.

23 (g) The authority shall not have outstanding at any time bonds on which the principal and
24 interest payments will exceed 90 percent of the amount of net revenues, rents, and earnings
25 to be derived directly from the projects for which the bonds are issued over the term of the

26 bonds. Prior to the issuance of any bonds, the state auditor shall in a written report certify
27 his or her opinion that the issuance will be authorized under this subsection."

28 **SECTION 3.**

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

31 **SECTION 4.**

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