

House Bill 652 (AS PASSED HOUSE AND SENATE)

By: Representatives O`Neal of the 146th, Dickey of the 140th, Harden of the 148th, Epps of the 144th, and Clark of the 147th

A BILL TO BE ENTITLED
AN ACT

1 To create the Perry Public Facilities Authority; to provide for the appointment of members
2 of such authority; to confer powers upon the authority; to authorize the issuance of revenue
3 bonds by the authority payable from the revenues, tolls, fees, charges, and earnings of the
4 authority, contract payments to the authority, and from other moneys pledged therefor and
5 to authorize the collection and pledging of the revenues, tolls, fees, charges, earnings, and
6 contract payments of the authority for the payment of such revenue bonds; to authorize the
7 execution of resolutions and trust indentures to secure the payment of the revenue bonds of
8 the authority and to define the rights of the holders of such obligations; to make the revenue
9 bonds of the authority exempt from taxation; to fix and provide the venue and jurisdiction
10 of actions relating to any provisions of this Act; to provide for the validation of bonds; to
11 provide for the separate enactment of each provision of this Act; to provide for an effective
12 date; to repeal conflicting laws; and for other purposes.

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

14 **SECTION 1.**

15 Short title.

16 This Act shall be known and may be cited as the "Perry Public Facilities Authority Act."

17 **SECTION 2.**

18 Perry Public Facilities Authority.

19 (a) There is created a public body corporate and politic to be known as the "Perry Public
20 Facilities Authority," which shall be deemed to be a political subdivision of the state and a
21 public corporation, and by that name, style, and title said body may contract and be
22 contracted with, sue and be sued, implead and be impleaded, and complain and defend in all
23 courts of law and equity. The authority shall have perpetual existence.

24 (b) The authority shall consist of seven members. The mayor and councilmembers of the
 25 City of Perry shall each appoint one member whose term on the authority shall correspond
 26 with the term of the mayor or councilmember who appointed such member.

27 (c) The members of the authority shall not be compensated for their services; provided,
 28 however, that such members shall be reimbursed for their actual expenses necessarily
 29 incurred in the performance of their duties.

30 (d) The members of the authority shall elect one of their number as chairperson and another
 31 as a vice-chairperson. The members of the authority shall also elect a secretary, who need
 32 not be a member of the authority, and may also elect a treasurer, who need not be a member
 33 of the authority. The secretary may also serve as treasurer. If the secretary or treasurer are
 34 not members of the authority, such officers shall have no voting rights. Such officers shall
 35 serve for a period of one year and until their successors are duly elected and qualified.

36 (e) Four members of the authority shall constitute a quorum. No vacancy on the authority
 37 shall impair the right of the quorum to exercise all of the rights and perform all of the duties
 38 of the authority.

39 SECTION 3.

40 Definitions.

41 As used in this Act, the term:

42 (1) "Authority" means the Perry Public Facilities Authority created by this Act.

43 (2) "City council" means the city council of the City of Perry, Georgia, or similar body
 44 or person managing the affairs of the city.

45 (3) "Costs of the project" means and embraces the cost of construction; the cost of all
 46 lands, properties, rights, rights of way, easements, and franchises acquired; the cost of all
 47 machinery and equipment; financing charges; interest prior to and during construction
 48 and for six months after completion of construction; the cost of engineering, architectural,
 49 fiscal agents, accounting, legal, plans and specifications, and other expenses necessary
 50 or incidental to determining the feasibility or practicability of the project; administrative
 51 expenses, and such other expenses as may be necessary or incident to the financing herein
 52 authorized; working capital; and all other costs necessary to acquire, construct, add to,
 53 extend, improve, equip, operate, and maintain the project.

54 (4) "City" means Perry, Georgia, and its successors.

55 (5) "Project" means:

56 (A) All buildings, facilities, equipment, and other real and personal property necessary
 57 or beneficial for the efficient operation of the city or any department, agency, division,
 58 or commission thereof; and

59 (B) Any undertaking of the city permitted pursuant to the Revenue Bond Law.

60 (6) "Revenue Bond Law" means the state's Revenue Bond Law as enacted in Article 3
61 of Chapter 82 of Title 36 of the Official Code of Georgia Annotated.

62 (7) "Revenue bonds" means revenue bonds authorized to be issued pursuant to this Act
63 and the Revenue Bond Law.

64 (8) "Self liquidating" means any project which the revenues and earnings to be derived
65 by the authority therefrom, including but not limited to any contractual payments with
66 governmental or private entities, and all properties used, leased, and sold in connection
67 therewith, together with any grants, will be sufficient to pay the costs of operating,
68 maintaining and repairing the project and to pay the principal and interest on the revenue
69 bonds or other obligations which may be issued for the purpose of paying the costs of the
70 project.

71 (9) "State" means the State of Georgia.

72 **SECTION 4.**

73 Powers.

74 The Authority shall have the power:

75 (1) To have a seal and alter the same at its pleasure;

76 (2) To acquire by purchase, lease, gift, or otherwise, and to hold, operate, maintain,
77 lease, and dispose of real and personal property of every kind and character for its
78 corporate purposes;

79 (3) To acquire in its own name by purchase, on such terms and conditions and in such
80 manner as it may deem proper, real property or rights or easements therein, or franchises
81 necessary or convenient for its corporate purposes, and to use the same so long as its
82 corporate existence shall continue, and to lease or make contracts with respect to the use
83 of or dispose of the same in any manner it deems to the best advantage of the authority;
84 provided, however, no property shall be acquired under the provisions of this Act upon
85 which any lien or encumbrance exists, unless at the time such property is so acquired a
86 sufficient sum of money is to be deposited in trust to pay and redeem the fair value of
87 such lien or encumbrance;

88 (4) To appoint, select, and employ officers, agents, and employees, including
89 engineering, architectural, and construction experts, fiscal agents, and attorneys, and fix
90 their respective compensations;

91 (5) To execute contracts, leases, installment sale agreements, and other agreements and
92 instruments necessary or convenient in connection with the acquisition, construction,
93 addition, extension, improvement, equipping, operation, or maintenance of a project; and

- 94 any and all persons, firms and corporations, the city, and any other political subdivision
95 or municipality of the state are hereby authorized to enter into contracts, leases,
96 installment sale agreements, and other agreements or instruments with the authority upon
97 such terms and for such purposes as they deem advisable and as they are authorized by
98 law;
- 99 (6) To acquire, construct, add to, extend, improve, equip, hold, operate, maintain, lease,
100 dispose of, and sell projects;
- 101 (7) To pay the costs of the project with the proceeds of revenue bonds or other
102 obligations issued by the authority or from any grant or contribution from the United
103 States of America or any agency or instrumentality thereof or from the state or any
104 agency or instrumentality or other political subdivision thereof or from any other source
105 whatsoever;
- 106 (8) To accept loans or grants of money or materials or property of any kind from the
107 United States of America or any agency or instrumentality thereof, upon such terms and
108 conditions as the United States of America or such agency or instrumentality may
109 require;
- 110 (9) To accept loans or grants of money or materials or property of any kind from the state
111 or any agency or instrumentality or political subdivision thereof, upon such terms and
112 conditions as the state or such agency or instrumentality or political subdivision may
113 require;
- 114 (10) To borrow funds for any of its corporate purposes and to issue revenue bonds, and
115 to provide for the payment of the same and for the rights of the holders thereof;
- 116 (11) To exercise any power usually possessed by private corporations performing similar
117 functions, including the power to incur short-term debt and to approve, execute, and
118 deliver appropriate evidence of any such indebtedness and the power to enter into interest
119 rate swaps, forward purchase agreements, repurchase agreements, and other similar
120 agreements;
- 121 (12) To sell or assign its rights under its contracts, lease agreements, or installment sale
122 agreements or its right to receive payments thereunder, either directly or through trust or
123 custodial arrangements whereby interests are created in such contracts, lease agreements,
124 or installment sale agreements or the payments to be received thereunder through the
125 issuance of trust certificates, certificates of participation, custodial receipts, or other
126 similar instruments; and
- 127 (13) To do all things necessary or convenient to carry out the powers expressly given in
128 this Act.

129 **SECTION 5.**

130 Revenue bonds.

131 The authority, or any entity or body which has or which may in the future succeed to the
132 powers, duties, and liabilities vested in the authority created hereby, shall have power and
133 is hereby authorized to provide by resolution for the issuance of revenue bonds by the
134 authority for the purpose of paying all or any part of the costs of the project and for the
135 purpose of refunding revenue bonds or other obligations previously issued. The principal of
136 and interest on such revenue bonds shall be payable solely from the special fund hereby
137 provided for such payment. The revenue bonds of each issue shall be dated, shall bear
138 interest at such rate or rates per annum, payable at such time or times, shall mature at such
139 time or times not exceeding 40 years from their date or dates, shall be payable in such
140 medium of payment as to both principal and interest as may be determined by the authority,
141 and may be redeemable before maturity, at the option of the authority, at such price or prices
142 and under such terms and conditions as may be fixed by the authority in the resolution for
143 the issuance of such revenue bonds.

144 **SECTION 6.**

145 Revenue bonds; form; denomination; registration; place of payment.

146 The authority shall determine the form of the revenue bonds and shall fix the denomination
147 or denominations of such revenue bonds. The revenue bonds may be issued in registered
148 form, and provision may be made for registration and exchangeability privileges. The
149 authority shall fix the place or places of payment of principal and interest thereon.

150 **SECTION 7.**

151 Revenue bonds; signatures; seal.

152 All revenue bonds shall bear the manual or facsimile signature of the chairperson or
153 vice-chairperson of the authority and the attesting manual or facsimile signature of the
154 secretary, assistant secretary, or secretary-treasurer of the authority, and the official seal of
155 the authority shall be impressed or imprinted thereon. Any revenue bonds may bear the
156 manual or facsimile signature of such persons as at the actual time of the execution of such
157 revenue bonds shall be duly authorized or hold the proper office, although at the date of
158 issuance of such revenue bonds such person may not have been so authorized or shall not
159 have held such office. In case any officer whose signature shall appear on any revenue bond
160 shall cease to be such officer before the delivery of such revenue bond, such signature shall

161 nevertheless be valid and sufficient for all purposes, the same as if that person had remained
162 in office until such delivery.

163 **SECTION 8.**

164 Revenue bonds; negotiability; exemption from taxation.

165 All revenue bonds shall have and are hereby declared to have all the qualities and incidents
166 of negotiable instruments under the laws of the state. All revenue bonds, their transfer and
167 the income therefrom shall be exempt from all taxation within the state. The authority shall
168 be exempt from all taxation within the state in the same manner and to the same extent that
169 the city is exempt from such taxes.

170 **SECTION 9.**

171 Revenue bonds; sale; price; proceeds.

172 The authority may sell revenue bonds in such manner and for such price as it may determine
173 to be in the best interest of the authority. The proceeds derived from the sale of revenue
174 bonds shall be used solely for the purpose or purposes provided in the resolutions and
175 proceedings authorizing the issuance of such revenue bonds.

176 **SECTION 10.**

177 Revenue bonds; interim receipts and certificates or temporary bonds.

178 Prior to the preparation of any definitive revenue bonds, the authority may, under like
179 restrictions, issue interim receipts, interim certificates, or temporary revenue bonds,
180 exchangeable for definitive revenue bonds upon the issuance of the latter.

181 **SECTION 11.**

182 Revenue bonds; replacement of lost or mutilated bonds.

183 The authority may provide for the replacement of any revenue bonds which shall become
184 mutilated or be destroyed or lost.

185 **SECTION 12.**

186 Revenue bonds; conditions precedent to issuance.

187 The authority shall adopt a resolution authorizing the issuance of the revenue bonds. In the
188 resolution, the authority shall determine that the project financed or refinanced with the
189 proceeds of the revenue bonds is self liquidating. Any resolution providing for the issuance
190 of revenue bonds under the provisions of this Act shall become effective immediately upon
191 its passage. Any such resolution may be passed by a majority of the authority's members at
192 any regular or special meeting that is duly advertised by the authority pursuant to Chapter
193 14 of Title 50 of the Official Code of Georgia Annotated.

194 **SECTION 13.**

195 Credit not pledged.

196 Revenue bonds shall not be deemed to constitute a debt of the city nor a pledge of the faith
197 and credit of the city, but such revenue bonds shall be payable solely from the fund
198 hereinafter provided for. The issuance of such revenue bonds shall not directly, indirectly
199 or contingently obligate the city to levy or to pledge any form of taxation whatsoever for
200 payment of such revenue bonds or to make any appropriation for their payment, and all such
201 revenue bonds shall contain recitals on their face covering substantially the foregoing
202 provisions of this section. Notwithstanding the foregoing provisions, this Act shall not affect
203 the ability of the authority and any political subdivision or municipality to enter into an
204 intergovernmental contract pursuant to which the political subdivision or municipality agrees
205 to pay amounts sufficient to pay operating charges and other costs of the authority or any
206 project including, without limitation, the principal of and interest on revenue bonds in
207 consideration for services or facilities of the authority.

208 **SECTION 14.**

209 Trust indenture as security.

210 In the discretion of the authority, any issuance of revenue bonds may be secured by a trust
211 indenture by and between the authority and a corporate trustee, which may be any trust
212 company or bank having the powers of a trust company within or outside the state. Either
213 the resolution providing for the issuance of the revenue bonds or such trust indenture may
214 contain such provisions for protecting and enforcing the rights and remedies of the
215 bondholders as may be reasonable and proper and not in violation of law, including
216 covenants setting forth the duties of the authority in relation to the acquisition and

217 construction of the project, the maintenance, operation, repair and insuring of the project, and
218 the custody, safeguarding, and application of all monies.

219 **SECTION 15.**

220 To whom proceeds of bonds shall be paid.

221 In the resolution providing for the issuance of revenue bonds or in the trust indenture, the
222 authority shall provide for the payment of the proceeds of the sale of the revenue bonds to
223 any officer or person, or any agency, bank, or trust company, who shall act as trustee of such
224 funds and shall hold and apply the same to the purposes thereof, subject to such regulations
225 as this Act and such resolution or trust indenture may provide.

226 **SECTION 16.**

227 Sinking fund.

228 The moneys received pursuant to an intergovernmental contract and the revenues, fees, tolls,
229 charges, and earnings derived from any particular project or projects, regardless of whether
230 or not such revenues, fees, tolls, fines, charges, and earnings were produced by a particular
231 project for which revenue bonds have been issued, unless otherwise pledged and allocated,
232 may be pledged and allocated by the authority to the payment of the principal and interest
233 on revenue bonds of the authority as the resolution authorizing the issuance of the revenue
234 bonds or in the trust indenture may provide, and such funds so pledged from whatever source
235 received shall be set aside at regular intervals as may be provided in the resolution or trust
236 indenture, into a sinking fund, which said sinking fund shall be pledged to and charged with
237 the payment of the interest upon such revenue bonds as such interest shall fall due; the
238 principal or purchase price of such revenue bonds as the same shall fall due; any premium
239 upon such revenue bonds as the same shall fall due; the purchase of such revenue bonds in
240 the open market; and the necessary charges of the paying agent for paying principal and
241 interest. The use and disposition of such sinking fund shall be subject to such regulations as
242 may be provided in the resolution authorizing the issuance of the revenue bonds or in the
243 trust indenture, but, except as may otherwise be provided in such resolution or trust
244 indenture, such sinking fund shall be maintained as a trust account for the benefit of all
245 revenue bonds without distinction or priority of one over another.

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SECTION 17.

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Remedies of bondholders.

248 Any holder of revenue bonds and the trustee under the trust indenture, if any, except to the
249 extent the rights herein given may be restricted by resolution passed before the issuance of
250 the revenue bonds or by the trust indenture, may, either at law or in equity, by suit, action,
251 mandamus, or other proceedings, protect and enforce any and all rights under the laws of the
252 state, including specifically but without limitation, the Revenue Bond Law, or granted
253 hereunder or under such resolution or trust indenture, and may enforce and compel
254 performance of all duties required by this Act or by such resolution or trust indenture to be
255 performed by the authority or any officer thereof, including the fixing, charging, and
256 collecting of revenues, fees, tolls, fines, and other charges for the use of the facilities and
257 services furnished.

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SECTION 18.

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Validation.

260 Revenue bonds and the security therefor shall be confirmed and validated in accordance with
261 the procedure of the Revenue Bond Law. The petition for validation shall also make party
262 defendant to such action any city, municipality, school district, or other political subdivision
263 or authority of the state which has contracted with the authority for services or facilities
264 relating to the project for which revenue bonds are to be issued and sought to be validated,
265 and such defendant shall be required to show cause, if any exists, why such contract or
266 contracts shall not be adjudicated as a part of the basis for the security for the payment of any
267 such revenue bonds. The revenue bonds when validated and the judgment of validation shall
268 be final and conclusive with respect to such revenue bonds and the security for the payment
269 thereof and interest thereon and against the authority and all other defendants.

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SECTION 19.

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Venue and jurisdiction.

272 Any action to protect or enforce any rights under the provisions of this Act or any suit or
273 action against such authority shall be brought in the superior court of Houston County, and
274 any action pertaining to validation of any revenue bonds issued under the provisions of this
275 Act shall likewise be brought in said court which shall have exclusive, original jurisdiction
276 of such actions.

277 **SECTION 20.**

278 Interest of bondholders protected.

279 While any of the revenue bonds issued by the authority remain outstanding, the powers,
280 duties, or existence of said authority or its officers, employees, or agents, shall not be
281 diminished or impaired in any manner that will affect adversely the interests and rights of the
282 holders of such revenue bonds. The provisions of this Act shall be for the benefit of the
283 authority and the holders of any such revenue bonds, and upon the issuance of such revenue
284 bonds under the provisions of this Act, shall constitute a contract with the holders of such
285 revenue bonds.

286 **SECTION 21.**

287 Monies received considered trust funds.

288 All monies received pursuant to the authority of this Act, whether as proceeds from the sale
289 of revenue bonds, as grants or other contributions, or as revenue, income, fees, and earnings,
290 shall be deemed to be trust funds to be held and applied solely as provided in this Act.

291 **SECTION 22.**

292 Purpose of the authority.

293 Without limiting the generality of any provision of this Act, the public purpose of the
294 authority is declared to be that of providing public buildings, facilities, equipment, and other
295 real and personal property for the citizens in the city.

296 **SECTION 23.**

297 Rates, charges, and revenues; use.

298 The authority is hereby authorized to prescribe and fix rates and to revise same from time to
299 time and to collect revenues, tolls, fees, and charges for the services, facilities, and
300 commodities furnished, and in anticipation of the collection of the revenues, to issue revenue
301 bonds or other types of obligations as herein provided to finance, in whole or in part, the
302 costs of the project, and to pledge to the punctual payment of said revenue bonds or other
303 obligations, all or any part of the revenues.

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SECTION 24.

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Rules, regulations, service policies, and

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procedures for operation of projects.

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It shall be the duty of the authority to prescribe or cause to be prescribed rules, regulations,

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service policies, and procedures for the operation of any project or projects constructed or

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acquired under the provisions of this Act. The authority may adopt bylaws.

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SECTION 25.

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Tort immunity.

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To the extent permitted by law, the authority shall have the same immunity and exemption

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from liability for torts and negligence as the city. The officers, agents, and employees of the

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authority when in the performance of the work of the authority shall have the same immunity

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and exemption from liability for torts and negligence as the officers, agents, and employees

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of the city when in the performance of their public duties or work of the city.

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SECTION 26.

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Tax-exempt status of authority.

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The properties of the authority, both real and personal, are declared to be public properties

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used for the benefit and welfare of the people of the state and not for purposes of private or

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corporate benefit and income, and such properties and the authority shall be exempt from all

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taxes and special assessments of any municipality, city, or the state and any political

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subdivision thereof.

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SECTION 27.

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Effect on other governments.

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This Act shall not and does not in any way take from the city or any political subdivision or

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municipality the authority to own, operate, and maintain public facilities or to issue revenue

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bonds as provided by the Revenue Bond Law.

329 **SECTION 28.**

330 Earnings and dissolution.

331 The earnings of the authority shall not inure to the benefit of private persons. Upon
332 dissolution of the authority, title to all property of the authority shall revert to the city.

333 **SECTION 29.**

334 Liberal construction of Act.

335 This Act, being for the welfare of various political subdivisions and municipalities of the
336 state and its inhabitants, shall be liberally construed to effect the purposes of this Act.

337 **SECTION 30.**

338 Severability; effect of partial invalidity of Act.

339 The provisions of this Act are severable, and if any of its provisions shall be held
340 unconstitutional by any court of competent jurisdiction, the decision of such court shall not
341 affect or impair any of the remaining provisions.

342 **SECTION 31.**

343 Effective date.

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

346 **SECTION 32.**

347 Repealer.

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