

Senate Bill 124

By: Senator Parent of the 42nd

**AS PASSED SENATE**

**A BILL TO BE ENTITLED  
AN ACT**

1 To create the City of Decatur Public Facilities Authority and to provide for the appointment  
2 of members of the authority; to confer powers upon the authority; to authorize the issuance  
3 of revenue bonds of the authority; to fix and provide the venue and jurisdiction of actions  
4 relating to any provisions of this Act; to exempt the property and revenue bonds of the  
5 authority from taxation; to provide for the separate enactment of a certain provision of this  
6 Act; to provide for a short title; to provide for related matters; to provide an effective date;  
7 to repeal conflicting laws; and for other purposes.

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

9 **SECTION 1.**

10 Short title.

11 This Act shall be known and may be cited as the "City of Decatur Public Facilities Authority  
12 Act."

13 **SECTION 2.**

14 City of Decatur Public Facilities Authority; creation.

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

20 (b) The authority shall consist of five members who shall be appointed by the City  
21 Commission of the City of Decatur. With respect to the initial appointment, two members  
22 shall be appointed for a term of three years, two members shall be appointed for a term of  
23 two years, and one member shall be appointed for a term of one year. Thereafter, all

24 appointments shall be made for terms of three years and until successors are appointed and  
 25 qualified. Immediately after such appointments the members of the authority shall enter  
 26 upon their duties. To be eligible for appointment as a member of the authority, a person shall  
 27 be at least 21 years of age, shall be a resident of the city for at least two years prior to the  
 28 date of his or her appointment, and shall not have been convicted of a felony. Any member  
 29 of the authority may be selected and appointed to succeed himself or herself.

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

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

40 (e) Three members of the authority shall constitute a quorum. No vacancy on the authority  
 41 shall impair the right of the quorum to exercise all of the rights and perform all of the duties  
 42 of the authority.

### 43 **SECTION 3.**

44 Purpose of the authority; scope of operations.

45 Without limiting the generality of any provision of this Act, the general purpose of the  
 46 authority is declared to be that of providing buildings, facilities, equipment, and services for  
 47 the citizens of the city.

### 48 **SECTION 4.**

49 Definitions.

50 As used in this Act, the term:

51 (1) "Authority" means the City of Decatur Public Facilities Authority created by this Act.

52 (2) "City" means the City of Decatur, Georgia.

53 (3) "Costs of the project" means and embraces the cost of construction; the cost of all  
 54 lands, properties, rights, easements, and franchises acquired; the cost of all machinery and  
 55 equipment; financing charges; interest prior to and during construction and for six months  
 56 after completion of construction; the cost of engineering, architectural, fiscal agent,

57 accounting, and legal services, and of plans and specifications and expenses necessary  
 58 or incidental to determining the feasibility or practicability of the project; administrative  
 59 expenses; working capital; and all other costs necessary to acquire, construct, add to,  
 60 extend, improve, equip, operate, maintain, or finance the project.

61 (4) "Project" means (i) all buildings, facilities, and equipment necessary or convenient  
 62 for the efficient operation of the city or any department, agency, division, or commission  
 63 thereof, or of the City Schools of Decatur and (ii) any "undertaking" permitted by the  
 64 Revenue Bond Law.

65 (5) "Revenue Bond Law" means the Revenue Bond Law of the State of Georgia  
 66 (codified in Article 3 of Chapter 82 of Title 36 of the O.C.G.A., as amended, or any other  
 67 similar law hereinafter enacted.

68 (6) "Revenue bonds" means revenue bonds authorized to be issued pursuant to this Act.

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

76 (8) "State" means the State of Georgia.

## 77 SECTION 5.

### 78 Powers.

79 The authority shall have the power:

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

81 (2) To acquire by purchase, lease, gift, condemnation, or otherwise, and with or without  
 82 consideration, to hold, operate, maintain, lease, and dispose of real and personal property  
 83 of every kind and character for its corporate purposes;

84 (3) To acquire in its own name by purchase, on such terms and conditions and in such  
 85 manner as it may deem proper, or by condemnation in accordance with the provisions of  
 86 any and all existing laws applicable to the condemnation of property for public use, real  
 87 property or rights or easements therein, or franchises necessary or convenient for its  
 88 corporate purposes, and to use the same so long as its corporate existence shall continue,  
 89 and to lease or make contracts with respect to the use of or disposition of the same in any  
 90 manner it deems to the best advantage of the authority, the authority being under no  
 91 obligation to accept and pay for any property condemned under this Act, except from the

92 funds provided under the authority of this Act, and in any proceedings to condemn, such  
93 orders may be made by the court having jurisdiction of the suit, action, or proceedings  
94 as may be just to the authority and to the owners of the property to be condemned, and  
95 no property shall be acquired under the provisions of this Act upon which any lien or  
96 encumbrance exists, unless at the time such property is so acquired a sufficient sum of  
97 money is to be deposited in trust to pay and redeem the fair value of such lien or  
98 encumbrance;

99 (4) To acquire, construct, add to, extend, improve, equip, operate, maintain, lease, and  
100 dispose of projects;

101 (5) To execute contracts, leases, installment sale agreements, and other agreements and  
102 instruments necessary or convenient in connection with the acquisition, construction,  
103 addition, extension, improvement, equipping, operation, maintenance, disposition, or  
104 financing of a project;

105 (6) To appoint, select, and employ officers, agents, and employees, including, but not  
106 limited to, engineering architectural and construction experts, fiscal agents, and attorneys,  
107 and fix their respective compensations;

108 (7) To pay the costs of the project with the proceeds of revenue bonds, certificates of  
109 participation, notes, or other forms of obligations issued by the authority or from any  
110 grant or contribution from the United States of America or any agency or instrumentality  
111 thereof or from the state or any agency, instrumentality, municipality, or political  
112 subdivision thereof, from any private foundation or other private source or from any other  
113 source whatsoever;

114 (8) To pledge to the payment of revenue bonds, certificates of participation, notes, and  
115 other forms of obligations issued by the authority any and all revenues and properties of  
116 the authority, both real and personal;

117 (9) To accept loans and/or grants of money or materials or property of any kind from the  
118 United States of America or any agency or instrumentality thereof, upon such terms and  
119 conditions as the United States of America or such agency or instrumentality may  
120 require;

121 (10) To accept loans or grants of money or materials or property of any kind from the  
122 state or any agency, instrumentality, municipality, or political subdivision thereof, upon  
123 such terms and conditions as the state or such agency, instrumentality, municipality, or  
124 political subdivision may require;

125 (11) To accept loans or grants of money or materials or property of any kind from any  
126 public or private foundation or any other private source upon such terms and conditions  
127 as such public or private foundation or other private source may require;

128 (12) To borrow money for any of its corporate purposes and to issue or execute revenue  
 129 bonds, certificates of participation, notes, and other forms of obligations, deeds to secure  
 130 debt, security agreements, and such other instruments as may be necessary or convenient  
 131 to evidence and secure such borrowing;

132 (13) To adopt, alter, or repeal its own bylaws, rules, and regulations governing the  
 133 manner in which its business is transacted;

134 (14) To prescribe rules, regulations, service policies, and procedures for the operation  
 135 of any project;

136 (15) To exercise any power usually possessed by private corporations performing similar  
 137 functions; and

138 (16) To do all things necessary or convenient to carry out the powers expressly given in  
 139 this Act.

140 **SECTION 6.**

141 Revenue bonds.

142 The authority shall have power and is hereby authorized to provide by resolution for the  
 143 issuance of revenue bonds for the purpose of paying all or any part of the costs of the project  
 144 and for the purpose of refunding revenue bonds or other obligations previously issued. The  
 145 principal of and interest on such revenue bonds shall be payable solely from the revenues and  
 146 properties pledged to the payment of such revenue bonds. The revenue bonds issued by the  
 147 authority shall contain such terms as the authority shall determine are in the best interest of  
 148 the authority; provided, however, no revenue bonds shall have a maturity exceeding 40 years.

149 **SECTION 7.**

150 Same; signatures; seal.

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

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

162 **SECTION 8.**

163 Same; negotiability; exemption from taxation.

164 All revenue bonds shall have and are hereby declared to have all the qualities and incidents  
165 of negotiable instruments under the laws of the State. All revenue bonds, their transfer, and  
166 the income therefrom shall be exempt from all taxation within the state as provided by the  
167 Revenue Bond Law.

168 **SECTION 9.**

169 Same; conditions precedent to issuance.

170 The authority shall adopt a resolution authorizing the issuance of the revenue bonds. In the  
171 resolution, the authority shall determine that the project financed or refinanced with the  
172 proceeds of the revenue bonds is self-liquidating. Revenue bonds may be issued without any  
173 other proceedings or the happening of any other conditions or things other than those  
174 proceedings, conditions, and things which are specified or required by this Act. Any  
175 resolution providing for the issuance of revenue bonds under the provisions of this Act shall  
176 become effective immediately upon its adoption and need not be published or posted, and  
177 any such resolution may be adopted at any regular or special meeting of the authority.

178 **SECTION 10.**

179 Same; credit not pledged.

180 Revenue bonds shall not be deemed to constitute a debt of the state or the city nor a pledge  
181 of the faith and credit of the state or the city. Revenue bonds shall be payable solely from  
182 the revenues and properties pledged to the payment of such revenue bonds. The issuance of  
183 revenue bonds shall not directly, indirectly, or contingently obligate the state or the city to  
184 levy or to pledge any form of taxation whatsoever for the payment of such revenue bonds or  
185 to make any appropriation for their payment. All revenue bonds shall contain recitals on  
186 their face covering substantially the foregoing provisions of this section. Notwithstanding  
187 the foregoing provisions, this Act shall not affect the ability of the authority and the city to  
188 enter into an intergovernmental contract pursuant to which the city agrees to pay amounts  
189 sufficient to pay operating charges and other costs of the authority or any project including,

190 without limitation, the principal of and interest on revenue bonds, in consideration for  
 191 services, facilities, or equipment of the authority.

192 **SECTION 11.**

193 Same; trust indenture as security.

194 In the discretion of the authority, any issuance of revenue bonds may be secured by a trust  
 195 indenture by and between the authority and a corporate trustee, which may be any trust  
 196 company or bank having the powers of a trust company within or without the state. Such  
 197 trust indenture may contain such provisions for protecting and enforcing the rights and  
 198 remedies of the bondholders as may be reasonable and proper and not in violation of law,  
 199 including covenants setting forth the duties of the authority in relation to the acquisition and  
 200 construction of the project, the maintenance, operation, repair, and insuring of the project,  
 201 and the custody, safeguarding, and application of all monies.

202 **SECTION 12.**

203 Same; remedies of bondholders.

204 Any holder of revenue bonds and the trustee under the trust indenture, if any, except to the  
 205 extent the rights herein given may be restricted by resolution passed before the issuance of  
 206 the revenue bonds or by the trust indenture, may, either at law or in equity, by suit, action,  
 207 mandamus, or other proceedings, protect and enforce any and all rights it may have under  
 208 the laws of the state, including specifically, but without limitation, the Revenue Bond Law,  
 209 or granted hereunder or under such resolution or trust indenture, and may enforce and compel  
 210 performance of all duties required by this Act or by such resolution or trust indenture to be  
 211 performed by the authority or any officer thereof, including the fixing, charging, and  
 212 collecting of revenues, fees, tolls, fines, and other charges for the use of the facilities and  
 213 services furnished.

214 **SECTION 13.**

215 Same; validation.

216 Revenue bonds and the security therefor shall be issued, confirmed, and validated in  
 217 accordance with the provisions of the Revenue Bond Law. The petition for validation shall  
 218 also make the city party defendant to such action if the city has contracted with the authority  
 219 for services or facilities relating to the project for which revenue bonds are to be issued and  
 220 sought to be validated, and such defendant shall be required to show cause, if any exists, why

221 such contract or contracts shall not be adjudicated as a part of the basis for the security for  
222 the payment of any such revenue bonds. The revenue bonds when validated, and the  
223 judgment of validation, shall be final and conclusive with respect to such revenue bonds and  
224 the security for the payment thereof and interest thereon and against the authority and all  
225 other defendants.

226 **SECTION 14.**

227 Same; interest of bondholders protected.

228 While any of the revenue bonds issued by the authority remain outstanding, the powers,  
229 duties, or existence of the authority or its officers, employees, or agents, shall not be  
230 diminished or impaired in any manner that will affect adversely the interests and rights of the  
231 holders of such revenue bonds, and no other entity, department, agency, or authority will be  
232 created which will compete with the authority to such an extent as to affect adversely the  
233 interest and rights of the holders of such revenue bonds. The provisions of this Act shall be  
234 for the benefit of the authority and the holders of any such revenue bonds under the  
235 provisions hereof shall constitute a contract with the holders of such revenue bonds.

236 **SECTION 15.**

237 Venue and jurisdiction.

238 Any action to protect or enforce any rights under the provisions of this Act or any suit or  
239 action against such authority shall be brought in the Superior Court of DeKalb County,  
240 Georgia, and any action pertaining to validation of any revenue bonds issued under the  
241 provisions of this Act shall likewise be brought in such court, which shall have exclusive,  
242 original jurisdiction of such actions.

243 **SECTION 16.**

244 Monies received considered trust funds.

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

248 **SECTION 17.**

249 Tort immunity.

250 To the extent permitted by law, the authority shall have the same immunity and exemption  
251 from liability for torts and negligence as the city. The officers, agents, and employees of the  
252 authority when in the performance of the work of the authority shall have the same immunity  
253 and exemption from liability for torts and negligence as the officers, agents, and employees  
254 of the city when in the performance of their public duties or work of the city.

255 **SECTION 18.**

256 Tax exemption.

257 The income of the authority, the properties of the authority, both real and personal, and all  
258 revenue bonds, certificates of participation, notes, and other forms of obligations issued by  
259 the authority shall be exempt from all state and local taxes and special assessments of any  
260 kind in accordance with the laws of the state.

261 **SECTION 19.**

262 Rates, charges, and revenues; use.

263 The authority is hereby authorized to prescribe and fix rates and to revise same from time to  
264 time and to collect revenues, tolls, fees, and charges for the services, facilities, and  
265 commodities furnished, and in anticipation of the collection of the revenues, to issue revenue  
266 bonds, certificates of participation, notes, or other types of obligations as herein provided to  
267 finance, in whole or in part, the costs of the project, and to pledge to the punctual payment  
268 of such revenue bonds or other obligations, all or any part of the revenues.

269 **SECTION 20.**

270 Effect on other governments.

271 This Act shall not and does not in any way take from the city or any political subdivision the  
272 right to own, operate, and maintain public facilities or to issue revenue bonds as provided by  
273 the Revenue Bond Law.

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**SECTION 21.**

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Liberal construction of act.

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This Act being for the welfare of the city and various political subdivisions of the state and

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its inhabitants, shall be liberally construed to effect the purposes hereof.

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**SECTION 22.**

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Severability; effect of partial invalidity of act.

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The provisions of this Act are severable, and if any of its provisions shall be held

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unconstitutional by any court of competent jurisdiction, the decision of such court shall not

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affect or impair any of the remaining provisions.

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**SECTION 23.**

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Effective date.

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This Act shall become effective upon its approval by the Governor or upon its becoming law

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without such approval.

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**SECTION 24.**

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Repealer.

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