

House Bill 152

By: Representatives Setzler of the 35th, Burkhalter of the 50th, Royal of the 171st, and Keen of the 179th

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 44 of Title 36 of the Official Code of Georgia Annotated, relating to
2 redevelopment powers, so as to provide for enhanced redevelopment powers, duties, and
3 authority; to provide for definitions; to provide for the creation of enhanced redevelopment
4 districts; to provide for the funding of enhanced redevelopment projects; to provide for
5 certain exemptions from sales and use taxation for a limited duration; to provide for the
6 imposition of certain fees within the enhanced redevelopment district; to provide for the
7 expenditure of the proceeds of such fees; to provide for powers, duties, and authority of the
8 state revenue commissioner, the commissioner of community affairs, and the commissioner
9 of economic development; to provide for related matters; to provide an effective date; to
10 repeal conflicting laws; and for other purposes.

11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

12 style="text-align:center">**SECTION 1.**

13 Chapter 44 of Title 36 of the Official Code of Georgia Annotated, relating to redevelopment
14 powers, is amended by striking Code Section 36-44-3, relating to definitions regarding
15 redevelopment powers, and inserting in its place a new Code Section 36-44-3 to read as
16 follows:

17 "36-44-3.

18 As used in this chapter, the term:

19 (1) 'Ad valorem property taxes' means all ad valorem property taxes levied by each
20 political subdivision and each county and independent board of education consenting to
21 the inclusion of that board of education's property taxes as being applicable to a tax
22 allocation district as provided by Code Section 36-44-9, except those ad valorem property
23 taxes levied to repay bonded indebtedness.

24 (2) 'Area of operation' means, in the case of a municipality or its redevelopment agency,
25 the territory lying within the corporate limits of such municipality; in the case of a county
26 or its redevelopment agency, the territory lying within the unincorporated area of the

1 county; and, in the case of a consolidated government or its redevelopment agency, the
 2 area lying within the territorial boundaries of the consolidated government. 'Area of
 3 operation' may also mean the combined areas of operation of political subdivisions which
 4 participate in the creation of a common redevelopment agency to serve such participating
 5 political subdivisions as provided in subsection (d) of Code Section 36-44-4.

6 (3) 'Enhanced redevelopment area' means a redevelopment area designated under this
 7 article which also:

8 (A) Is determined to be hard to develop due to existing physical structures or
 9 characteristics;

10 (B) Has had vacant commercial facilities which have not been leased for a period of at
 11 least 24 consecutive months;

12 (C) Consists of vacant facilities which formerly were industrial, military, or agricultural
 13 facilities;

14 (D) Consists of underachieving retail sales facilities which demonstrate an initial five
 15 year average of less than 20 percent of their potential sales;

16 (E) Consists of a blighted area;

17 (F) Consists of a commercial or residential empowerment zone or similar federal or
 18 state targeted revitalization area;

19 (G) Is an area of historical significance with properties listed in or eligible for the
 20 Georgia Register of Historic Places or designated as historic property under Article 20
 21 of Chapter 10 of Title 44, the 'Georgia Historic Preservation Act';

22 (H) Consists of an area suffering from a demonstrable soil, ground water, abandoned
 23 solid waste or underground storage tank adverse environmental impact; or

24 (I) Consists of an area of up to 25 percent of the size of any enhanced redevelopment
 25 area described under this paragraph to which it abuts directly.

26 (4) 'Enhanced redevelopment costs' means, with respect to an enhanced redevelopment
 27 project, redevelopment costs as well as the following:

28 (A) Costs of implementing enhanced development standards such as landscaping, tree
 29 preservation, greenspace creation or preservation, abatement of noise and light
 30 pollution, pedestrian or transit improvements, and other such costs;

31 (B) Costs of environmental testing and remediation of adverse environmental impact
 32 with respect to contaminated soil, ground water, abandoned solid waste, or underground
 33 storage tanks;

34 (C) Costs of cultural resources, testing, and mitigation; and

35 (D) Costs to repay the commercial bank loan or indebtedness incurred with respect to
 36 such costs under Code Section 36-44-14; and

37 (E) Costs for administration and professional services.

1 (5) 'Enhanced redevelopment plan' means, with respect to an enhanced redevelopment
 2 project, a redevelopment plan which also shall demonstrate that the project will:

3 (A) Alleviate the distress of the existing land use while complying with all state
 4 regulatory requirements; and

5 (B) Employ enhanced development standards including at a minimum:

6 (i) Embody the highest quality building materials and highest standards of
 7 architectural controls aimed at enhancing the lands value for a period of 50 years or
 8 more;

9 (ii) Integrate greenspace and enhanced development standards consistent with the
 10 Department of Community Affairs Quality Community Objectives into the design and
 11 primary use of the enhanced redevelopment project;

12 (iii) Promote preservation of historical structures; or

13 (iv) Achievement of an enhanced energy and environmental design (LEED) rating.

14 ~~(3)~~(6) 'Local legislative body' means the official or body in which the legislative powers
 15 of a political subdivision are vested.

16 ~~(4)~~(7) 'Political subdivision' means any county, municipality, or consolidated government
 17 of this state.

18 ~~(5)~~(8) 'Redevelopment' means any activity, project, or service necessary or incidental to
 19 achieving the development or revitalization of a redevelopment area or a portion thereof
 20 designated for redevelopment by a redevelopment plan or the preservation or
 21 improvement of historical or natural assets within a redevelopment area or a portion
 22 thereof designated for redevelopment by a redevelopment plan. Without limiting the
 23 generality of the foregoing, redevelopment may include any one or more of the following:

24 (A) The construction of any building or other facility for use in any business,
 25 commercial, industrial, governmental, educational, charitable, or social activity;

26 (B) The renovation, rehabilitation, reconstruction, remodeling, repair, demolition,
 27 alteration, or expansion of any existing building or other facility for use in any business,
 28 commercial, industrial, governmental, educational, charitable, or social activity;

29 (C) The construction, reconstruction, renovation, rehabilitation, remodeling, repair,
 30 demolition, alteration, or expansion of public or private housing;

31 (D) The construction, reconstruction, renovation, rehabilitation, remodeling, repair,
 32 demolition, alteration, or expansion of public works or other public facilities necessary
 33 or incidental to the provision of governmental services;

34 (E) The identification, preservation, renovation, rehabilitation, reconstruction,
 35 remodeling, repair, demolition, alteration, or restoration of buildings or sites which are
 36 of historical significance;

1 (F) The preservation, protection, renovation, rehabilitation, restoration, alteration,
2 improvement, maintenance, and creation of open spaces or green spaces;

3 (G) The development, construction, reconstruction, repair, demolition, alteration, or
4 expansion of structures, equipment, and facilities for mass transit;

5 (H) The development, construction, reconstruction, renovation, rehabilitation, repair,
6 demolition, alteration, or expansion of telecommunication infrastructure;

7 (I) The development, construction, reconstruction, renovation, rehabilitation, repair,
8 demolition, alteration, or expansion of facilities for the improvement of pedestrian
9 access and safety;

10 (J) Improving or increasing the value of property; and

11 (K) The acquisition and retention or acquisition and disposition of property for
12 redevelopment purposes or the use for redevelopment purposes of property already
13 owned by a political subdivision or any agency or instrumentality thereof.

14 ~~(6)~~(9) 'Redevelopment agency' means the local legislative body of a political subdivision
15 or a public body corporate and politic created as the redevelopment agency of the
16 political subdivision or an existing public body corporate and politic designated as the
17 redevelopment agency of the political subdivision pursuant to Code Section 36-44-4.

18 ~~(7)~~(10) 'Redevelopment area' means:

19 (A) Any ~~urbanized or developed~~ area in which the structures, buildings, or
20 improvements, by reason of dilapidation, deterioration, age, or obsolescence,
21 inadequate provision for ventilation, light, air, sanitation, or open spaces, high density
22 of population and overcrowding, or the existence of conditions which endanger life or
23 property by fire and other causes, or any combination of such factors, is conducive to
24 ill health, transmission of disease, infant mortality, high unemployment, juvenile
25 delinquency, or crime and is detrimental to the public health, safety, morals, or welfare;

26 (B) Any ~~urbanized or developed~~ area which by reason of the presence of a predominant
27 number of substandard, slum, deteriorated, or deteriorating structures; the
28 predominance of defective or inadequate street layout, inadequate parking, roadways,
29 bridges, or public transportation facilities incapable of handling the volume of traffic
30 flow into or through the area, either at present or following proposed redevelopment;
31 the faulty lot layout in relation to size, adequacy, accessibility, or usefulness; unsanitary
32 or unsafe conditions; deterioration of site or other improvements; the diversity of
33 ownership, tax, or special assessment delinquency exceeding the fair value of the land;
34 diversity of ownership on defective or unusual conditions of title which prevent or
35 encumber the free alienability of land; or the existence of conditions which endanger
36 life or property by fire and other causes; or any combination of the foregoing,
37 substantially impairs or arrests the sound growth of the community, retards the

1 provision of housing accommodations or employment opportunities; or constitutes an
2 economic or social liability and is a menace to the public health, safety, morals, or
3 welfare in its present condition and use;

4 (C) Any open area located ~~within an urbanized or developed area~~ within the corporate
5 limits of a municipality which because of any factor or combination of factors
6 enumerated in subparagraph (A) or (B) of this paragraph substantially impairs or arrests
7 the sound growth of the community;

8 (D) Any area ~~located within an urbanized or developed area~~ and which, immediately
9 prior to becoming an open area, qualified as a redevelopment area under subparagraph
10 (A) or (B) of this paragraph;

11 (E) Any area located ~~within an urbanized or developed area~~ which is substantially
12 underutilized by containing open lots or parcels of land or by containing a substantial
13 number of buildings or structures which are 40 years old or older or by containing
14 structures or buildings of relatively low value as compared to the value of structures or
15 buildings in the vicinity of the area or by having development impaired by airport and
16 related transportation noise or by related environmental factors or an area in which
17 there is a shortage of housing that is affordable for persons of low or moderate income
18 which the local legislative body designates as appropriate for community
19 redevelopment or by any combination of the foregoing factors;

20 (F) Any geographic area designated within the comprehensive plan of a political
21 subdivision for redevelopment which has previously been developed for commercial,
22 residential, industrial, office, or similar or ancillary uses and which lies within the
23 service delivery area of the political subdivision, in which the current condition of the
24 area is less desirable than the redevelopment of the area for new commercial,
25 residential, industrial, office, or other uses, or a combination of uses, including the
26 provision of open space or pedestrian and transit improvements, and any geographic
27 area that is adversely affected by airport or transportation related noise or other
28 environmental degradation, contamination, or other environmental factors which the
29 political subdivision has determined to be impairing or retarding the redevelopment of
30 the area;

31 (G) Any ~~urbanized or developed~~ area or an area connecting two or more ~~urbanized or~~
32 ~~developed~~ areas that has been subject to some development but which has inadequate
33 roadways, bridges, or public transportation or transit facilities incapable of handling the
34 volume of traffic or passenger flow in or through the area in a safe and efficient manner
35 either at present or following proposed redevelopment; or

36 (H) Any area combining any factors specified in subparagraphs (A) through (G) of this
37 paragraph.

1 ~~(8)~~(11) 'Redevelopment costs' means any expenditures made or estimated to be made or
2 monetary obligations incurred or estimated to be incurred to achieve the redevelopment
3 of a redevelopment area or any portion thereof designated by a redevelopment plan or any
4 expenditures made to carry out or exercise any powers granted by this chapter. Without
5 limiting the generality of the foregoing, redevelopment costs may include any one or
6 more of the following:

7 (A) Capital costs, including the costs incurred or estimated to be incurred for the
8 construction of public works or improvements, new buildings, structures, and fixtures;
9 the renovation, rehabilitation, reconstruction, remodeling, repair, demolition, alteration,
10 or expansion of existing buildings, structures, and fixtures; the acquisition of
11 equipment; and the clearing and grading of land;

12 (B) Financing costs, including, but not limited to, all necessary and incidental expenses
13 related to the issuance of obligations and which may include payment of interest on any
14 obligations issued under this chapter occurring during the estimated period of
15 construction of any project with respect to which any capital costs within the meaning
16 of subparagraph (A) of this paragraph are financed in whole or in part by such
17 obligations and for a period not to exceed 42 months after completion of any such
18 construction and including reasonable reserves related thereto and all principal and
19 interest paid to holders of evidences of indebtedness issued to pay for other
20 redevelopment costs and any premium paid over the principal amount thereof because
21 of the redemption of such obligations prior to maturity;

22 (C) Professional service costs, including those costs incurred for architectural,
23 planning, engineering, financial, marketing, and legal advice and services;

24 (D) Imputed administrative costs, including reasonable charges for the time spent by
25 public employees in connection with the implementation of a redevelopment plan;

26 (E) Relocation costs as authorized by a redevelopment plan for persons or businesses
27 displaced by the implementation of a redevelopment plan, including but not limited to,
28 those relocation payments made following condemnation under Chapter 4 of Title 22,
29 'The Georgia Relocation Assistance and Land Acquisition Policy Act';

30 (F) Organizational costs, including the costs of conducting environmental impact and
31 other studies, and the costs of informing the public with respect to the creation and
32 implementation of redevelopment plans;

33 (G) Payments by one political subdivision to a political subdivision or board of
34 education in lieu of taxes to compensate for any loss of tax revenues or for any capital
35 costs incurred because of redevelopment activity; and

36 (H) Real property assembly costs.

1 ~~(9)~~(12) 'Redevelopment plan' means a written plan of redevelopment for a redevelopment
2 area or a designated portion thereof which:

3 (A) Specifies the boundaries of the proposed redevelopment area;

4 (B) Explains the grounds for a finding by the local legislative body that the
5 redevelopment area on the whole has not been subject to growth and development
6 through private enterprise and would not reasonably be anticipated to be developed
7 without the approval of the redevelopment plan or that the redevelopment area includes
8 one or more natural or historical assets which have not been adequately preserved or
9 protected and such asset or assets would not reasonably be anticipated to be adequately
10 preserved or protected without the approval of the redevelopment plan;

11 (C) Explains the proposed uses after redevelopment of real property within the
12 redevelopment area;

13 (D) Describes any redevelopment projects within the redevelopment area proposed to
14 be authorized by the redevelopment plan, estimates the cost thereof, and explains the
15 proposed method of financing such projects;

16 (E) Describes any contracts, agreements, or other instruments creating an obligation
17 for more than one year which are proposed to be entered into by the political
18 subdivision or its redevelopment agency or both for the purpose of implementing the
19 redevelopment plan;

20 (F) Describes the type of relocation payments proposed to be authorized by the
21 redevelopment plan;

22 (G) Includes a statement that the proposed redevelopment plan conforms with the local
23 comprehensive plan, master plan, zoning ordinance, and building codes of the political
24 subdivision or explains any exceptions thereto;

25 (H) Estimates redevelopment costs to be incurred or made during the course of
26 implementing the redevelopment plan;

27 (I) Recites the last known assessed valuation of the redevelopment area and the
28 estimated assessed valuation after redevelopment;

29 (J) Provides that property which is to be redeveloped under the plan and which is either
30 designated as a historic property under Article 2 of Chapter 10 of Title 44, the 'Georgia
31 Historic Preservation Act,' or is listed on or has been determined by any federal agency
32 to be eligible for listing on the National Register of Historic Places will not be:

33 (i) Substantially altered in any way inconsistent with technical standards for
34 rehabilitation; or

35 (ii) Demolished unless feasibility for reuse has been evaluated based on technical
36 standards for the review of historic preservation projects,

1 which technical standards for rehabilitation and review shall be those used by the state
 2 historic preservation officer, although nothing in this subparagraph shall be construed
 3 to require approval of a redevelopment plan or any part thereof by the state historic
 4 preservation officer;

5 (K) Specifies the proposed effective date for the creation of the tax allocation district
 6 and the proposed termination date;

7 (L) Contains a map specifying the boundaries of the proposed tax allocation district
 8 and showing existing uses and conditions of real property in the proposed tax allocation
 9 district;

10 (M) Specifies the estimated tax allocation increment base of the proposed tax
 11 allocation district;

12 (N) Specifies property taxes for computing tax allocation increments determined in
 13 accordance with Code Section 36-44-9 and supported by any resolution required under
 14 paragraph (2) of Code Section 36-44-8;

15 (O) Specifies the amount of the proposed tax allocation bond issue or issues and the
 16 term and assumed rate of interest applicable thereto;

17 (P) Estimates positive tax allocation increments for the period covered by the term of
 18 the proposed tax allocation bonds;

19 (Q) Specifies the property proposed to be pledged for payment or security for payment
 20 of tax allocation bonds which property may include positive tax allocation increments
 21 derived from the tax allocation district, all or part of general funds derived from the tax
 22 allocation district, and any other property from which bonds may be paid under Code
 23 Section 36-44-14, subject to the limitations of Code Sections 36-44-9 and 36-44-20;
 24 and

25 (R) Includes such other information as may be required by resolution of the political
 26 subdivision whose area of operation includes the proposed redevelopment area.

27 ~~(10)~~(13) 'Resolution' means a resolution or ordinance by which a local legislative body
 28 takes official legislative action.

29 ~~(11)~~(14) 'Special fund' means the fund provided for in subsection (c) of Code Section
 30 36-44-11.

31 ~~(12)~~(15) 'Tax allocation bonds' means one or more series of bonds, notes, or other
 32 obligations issued by a political subdivision to finance, wholly or partly, redevelopment
 33 costs within a tax allocation district and which are issued on the basis of pledging for the
 34 payment or security for payment of such bonds positive tax allocation increments derived
 35 from the tax allocation district, all or part of general funds derived from the tax allocation
 36 district, and any other property from which bonds may be paid under Code Section
 37 36-44-14, as determined by the political subdivision subject to the limitations of Code

1 Sections 36-44-9 and 36-44-20. Tax allocation bonds shall not constitute debt within the
2 meaning of Article IX, Section V of the Constitution.

3 ~~(13)~~(16) 'Tax allocation district' means a contiguous geographic area within a
4 redevelopment area which is defined and created by resolution of the local legislative
5 body of a political subdivision pursuant to subparagraph (B) of paragraph (3) of Code
6 Section 36-44-8 for the purpose of issuing tax allocation bonds to finance, wholly or
7 partly, redevelopment costs within the area or to establish an enhanced development area.

8 ~~(14)~~(17) 'Tax allocation increment' means that amount obtained by multiplying the total
9 ad valorem property taxes, determined as provided in Code Section 36-44-9, levied on
10 all taxable property within a tax allocation district in any year by a fraction having a
11 numerator equal to that year's taxable value of all taxable property within the tax
12 allocation district minus the tax allocation increment base and a denominator equal to that
13 year's taxable value of all taxable property within the tax allocation district. In any year,
14 a tax allocation increment is 'positive' if the tax allocation increment base is less than that
15 year's taxable value of all taxable property and 'negative' if such base exceeds such
16 taxable value.

17 ~~(15)~~(18) 'Tax allocation increment base' means the taxable value of all taxable property,
18 as certified by the state revenue commissioner, located within a tax allocation district on
19 the effective date such district is created pursuant to Code Section 36-44-8.

20 ~~(16)~~(19) 'Taxable property' means real and personal property subject to ad valorem
21 property taxes of a political subdivision, including property subject to local ad valorem
22 taxation for educational purposes.

23 ~~(17)~~(20) 'Taxable value' means the current assessed value of taxable property as shown
24 on the tax digest of the county in which the property is located."

25 SECTION 2.

26 Said chapter is further amended by adding a new Code section immediately following Code
27 Section 36-44-7, to be designated Code Section 36-44-7.1, to read as follows:

28 "36-44-7.1.

29 (a) Each municipality or county which opts to exercise the additional redevelopment
30 powers under this Code section shall adopt an enhanced redevelopment plan. Such
31 enhanced redevelopment plan shall only be adopted following the adoption of a
32 redevelopment plan and the creation of a tax allocation district as provided in this chapter.
33 Following the adoption of the enhanced redevelopment plan, such plan shall be submitted
34 to the state revenue commissioner. The state revenue commissioner shall submit that plan
35 to an approval board which shall consist of the state revenue commissioner, the
36 commissioner of community affairs, the commissioner of economic development, and two

1 private sector appointees, one of whom shall be designated by the commissioner of
2 community affairs and one of whom shall be designated by the commissioner of economic
3 development. The approval board shall make a determination by majority vote regarding
4 whether or not such plan carries out the purposes of this article. Upon receipt of written
5 approval of the approval board, powers and authority granted under this article may be
6 exercised.

7 (b) Each enhanced redevelopment area shall constitute automatically an enhanced
8 redevelopment district which shall have the same boundary as the tax allocation district
9 created under Code Section 36-44-8. Such enhanced redevelopment district shall remain
10 in existence for a period of ten years or until repayment of enhanced redevelopment costs,
11 whichever occurs first.

12 (c) Upon the creation of the enhanced redevelopment district, any sale or use within that
13 district that would constitute a taxable event for purposes of the 4 percent state sales and
14 use tax under Chapter 8 of Title 48 shall be exempt from that tax. In lieu thereof, any such
15 sale or use within that district shall be subject to an enhanced redevelopment district fee
16 of 4 percent which shall be imposed and collected by the county or municipality which has
17 executed the intergovernmental contract. The proceeds of that fee shall be expended solely
18 for the purpose of paying enhanced redevelopment costs within that district. The county
19 or municipality shall designate a fiduciary agent to administer the expenditure of the
20 enhanced redevelopment fee.

21 (d) Upon creation of such enhanced redevelopment district, the state revenue
22 commissioner shall issue a certificate certifying that any sale or use within that district that
23 would constitute a taxable event for purposes of the 4 percent state sales and use tax under
24 Chapter 8 of Title 48 shall be exempt from that tax and, that in lieu thereof, any such sale
25 or use within that district shall be subject to an enhanced redevelopment fee which
26 corresponds in rate and manner and shall be imposed and collected by the county or
27 municipality which has executed the intergovernmental contract.

28 (e) At the end of the tenth year of the special district or upon final repayment of such
29 enhanced redevelopment costs, whichever occurs first, the enhanced redevelopment
30 district shall terminate automatically, the exemption provided for under subsection (c) of
31 this Code section shall terminate, and the fee authorized under subsection (c) of this Code
32 section shall cease to be imposed and collected."

33 SECTION 3.

34 Said chapter is further amended by striking Code Section 36-44-14, relating to tax allocation
35 bonds, and inserting in its place a new Code Section 36-44-14 to read as follows:

1 "36-44-14.

2 (a) Only for the purpose of paying redevelopment costs or enhanced redevelopment costs
 3 for a tax allocation district created under this chapter, the local legislative body may issue
 4 tax allocation bonds. Tax allocation bonds are declared to be negotiable instruments. Tax
 5 allocation bonds issued under the provisions of this chapter are declared to be issued for
 6 an essential public and governmental purpose and, together with interest thereon and
 7 income therefrom, shall be exempted from all taxes.

8 (b) All tax allocation bonds, notes, and other obligations shall be authorized by resolution
 9 of the local legislative body, adopted by a majority vote of the members thereof at a regular
 10 or special meeting and without the necessity of a referendum or any electoral approval. The
 11 resolution shall state the name of the tax allocation district and the aggregate principal
 12 amount of the tax allocation bonds authorized.

13 (c) ~~Tax~~ Except as otherwise provided in subsection (c.1) of this Code section, tax
 14 allocation bonds, notes, or other obligations issued by a local legislative body under this
 15 chapter shall be payable solely from the property pledged, mortgaged, conveyed, assigned,
 16 hypothecated, or otherwise encumbered to secure or to pay such bonds, notes, or other
 17 obligations, which property shall be limited to real or personal property acquired pursuant
 18 to this chapter and the proceeds from any source from which redevelopment costs may be
 19 paid under Code Section 36-44-13, but subject to the limitations of Code Sections 36-44-9
 20 and 36-44-20. ~~Each~~ Except as otherwise provided in subsection (c.1) of this Code section,
 21 each such bond, note, or other obligation shall contain recitals as are necessary to show that
 22 it is only so payable and that it does not otherwise constitute an indebtedness or a charge
 23 against the general taxing power of the political subdivision or county or independent board
 24 of education consenting to the use of property taxes as a basis for computing tax allocation
 25 increments or consenting to the use of general funds derived from the tax allocation district.
 26 (c.1) If an enhanced redevelopment district has been created under Code Section
 27 36-44-7.1, the bonds, notes, or other obligations provided for under subsection (c) of this
 28 Code section shall also be repayable from the proceeds of the enhanced redevelopment fee.
 29 Such bonds, notes, or other obligations shall be subject to the requirements of this Code
 30 section except as provided in this subsection.

31 (d) To increase the security and marketability of tax allocation bonds, notes, or other
 32 obligations, a local legislative body may:

33 (1) Create a lien for the benefit of the bondholders upon any public improvements or
 34 public works financed thereby or the revenues therefrom; and

35 (2) Make covenants and do any and all acts not inconsistent with the Constitution or this
 36 chapter as may be necessary or convenient or desirable in order additionally to secure tax

1 allocation bonds, notes, or other obligations or tend to make them more marketable
2 according to the best judgment of the local legislative body.

3 (e) Tax allocation bonds, notes, or other obligations shall bear such date or dates, shall
4 mature at such time or times not more than 30 years from their respective dates, shall bear
5 interest at such rate or rates which may be fixed or may fluctuate or otherwise change from
6 time to time, shall be subject to redemption on such terms, and shall contain such other
7 terms, provisions, covenants, assignments, and conditions as the resolution authorizing the
8 issuance of such bonds, notes, or other obligations may permit or provide. The terms,
9 provisions, covenants, assignments, and conditions contained in or provided or permitted
10 by any resolution of the local legislative body authorizing the issuance of such tax
11 allocation bonds, notes, or other obligations shall bind the members of the local legislative
12 body then in office and their successors.

13 (f) The local legislative body shall have power from time to time and whenever it deems
14 it expedient to refund any tax allocation bonds by the issuance of new tax allocation bonds,
15 whether or not the bonds to be refunded have matured, and may issue such bonds partly to
16 refund bonds then outstanding and partly for any other purpose permitted under this
17 chapter. The refunding bonds may be exchanged for the bonds to be refunded, with such
18 cash adjustments as may be agreed upon, or may be sold at such price as the local
19 legislative body may determine and the proceeds applied to the purchase or redemption of
20 the bonds to be refunded.

21 (g) Tax allocation bonds may not be issued in an amount exceeding the estimated
22 aggregated redevelopment costs and enhanced redevelopment costs for the tax allocation
23 district. Any limitations with respect to interest rates or any maximum interest rate or rates
24 found in Article 3 of Chapter 82 of this title, the 'Revenue Bond Law,' the usury laws of
25 this state, or any other laws of this state shall not apply to tax allocation bonds, notes, or
26 other obligations of a local legislative body.

27 (h) All tax allocation bonds issued by a local legislative body under this chapter shall be
28 issued and validated under and in accordance with Article 3 of Chapter 82 of this title, the
29 'Revenue Bond Law,' except as provided in this chapter.

30 (i) Tax allocation bonds issued by a local legislative body may be in such form and may
31 be subject to such exchangeability and transferability provisions as the bond resolution
32 authorizing the issuance of such bonds or any indenture or trust agreement may provide.

33 (j) Tax allocation bonds shall bear a certificate of validation. The signature of the clerk of
34 the superior court of the county in which the issuing local legislative body is located may
35 be made on the certificate of validation of such bonds by facsimile or by manual execution,
36 stating the date on which such bonds were validated; and such entry shall be original

1 evidence of the fact of judgment and shall be received as original evidence in any court in
2 this state.

3 (k) In lieu of specifying the rate or rates of interest which tax allocation bonds to be issued
4 by a local legislative body are to bear, the notice to the district attorney or the Attorney
5 General, the notice to the public of the time, place, and date of the validation hearing, and
6 the petition and complaint for validation may state that the bonds when issued will bear
7 interest at a rate not exceeding a maximum per annum rate of interest, which rate may be
8 fixed or may fluctuate or otherwise change from time to time, specified in such notices and
9 petition and complaint or may state that, in the event the bonds are to bear different rates
10 of interest for different maturity dates, none of such rates will exceed the maximum rate
11 so specified, which rate may be fixed or may fluctuate or otherwise change from time to
12 time; provided, however, that nothing in this Code section shall be construed as prohibiting
13 or restricting the right of a local legislative body to sell such tax allocation bonds at a
14 discount, even if in doing so the effective interest cost resulting therefrom would exceed
15 the maximum per annum interest rate specified in such notices and in the petition and
16 complaint.

17 (l) The term 'redevelopment costs' shall have the meaning prescribed in this chapter
18 whenever that term is referred to in tax allocation bond resolutions of a local legislative
19 body, in tax allocation bonds, notes, or other obligations of a local legislative body, or in
20 notices or proceedings to validate such bonds, notes, or other obligations of a local
21 legislative body.

22 (m) Subject to the limitations and procedures provided by this chapter, the agreements or
23 instruments executed by a local legislative body may contain such provisions not
24 inconsistent with law as shall be determined by the local legislative body.

25 (n) The proceeds derived from the sale of all tax allocation bonds, notes, and other
26 obligations issued by a local legislative body shall be held and used for the ultimate
27 purpose of paying, directly or indirectly as permitted in this chapter, redevelopment costs
28 or for the purpose of refunding any tax allocation bonds, notes, or other obligations issued
29 in accordance with this chapter.

30 (o) Issuance by a local legislative body of one or more series of tax allocation bonds,
31 notes, or other obligations for one or more purposes shall not preclude it from issuing other
32 tax allocation bonds, notes, or other obligations in connection with the same redevelopment
33 plan or with any other redevelopment plan; but the proceeding wherein any subsequent
34 bonds, notes, or other obligations are issued shall recognize and protect any prior loan
35 agreement, mortgage, deed to secure debt, trust deed, security agreement, or other
36 agreement or instrument made for any prior issue of bonds, notes, or other obligations,
37 unless in the resolution authorizing such prior issue the right is expressly reserved to the

1 local legislative body to issue subsequent bonds, notes, or other obligations on a parity with
2 such prior issue.

3 (p) A local legislative body shall have the power and is authorized, whenever tax
4 allocation bonds of the local legislative body shall have been validated as provided in this
5 chapter, to issue from time to time its notes in anticipation of such bonds as validated and
6 to renew from time to time any such notes by the issuance of new notes, whether or not the
7 notes to be renewed have matured. The local legislative body may issue such bond
8 anticipation notes only to provide funds which would otherwise be provided by the
9 issuance of the bonds as validated. Such notes may be authorized, sold, executed, and
10 delivered in the same manner as bonds. As with its bonds, the local legislative body may
11 sell such notes at public sale or at private sale. Any resolution or resolutions authorizing
12 such notes of the local legislative body or any issue thereof may contain any provisions
13 which the local legislative body is authorized to include in any resolution or resolutions
14 authorizing bonds of the local legislative body to any issue thereof; and the local legislative
15 body may include in any such notes any terms, covenants, or conditions which the local
16 legislative body is authorized to include in any bonds. Validation of such bonds shall be
17 a condition precedent to the issuance of such notes, but it shall not be required that such
18 notes be judicially validated. Bond anticipation notes shall not be issued in an amount
19 exceeding the par value of the bonds in anticipation of which they are to be issued."

20 **SECTION 4.**

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

23 **SECTION 5.**

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