House Bill 3EX (AS PASSED HOUSE AND SENATE)

By: Representatives Yates of the 85th, Post 1, Lunsford of the 85th, Post 2, and Howell of the 92nd

A BILL TO BE ENTITLED

AN ACT

To authorize the City of Griffin to lease municipal property for up to five years with options to renew for three additional five-year periods to a nonprofit corporation for certain purposes related to recreation; to provide restrictions; to provide for insurance coverage and indemnity; to provide for the termination of any such lease; to provide for related matters; to provide an effective date; to provide for a contingency; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

(a) The City of Griffin is authorized to lease or enter into a contract for a valuable consideration for the operation and management, and renewals and extensions thereof, of any real or personal property owned by the City of Griffin comprising fairgrounds, ballfields, golf courses, swimming pools, or other like property used primarily for recreational purposes for a period not to exceed five years to a nonprofit corporation which is qualified as exempt from taxation under the provisions of Section 501(c)(3) of the Internal Revenue Code of 1986 that will covenant to use and operate the property for annual regional fair purposes or to continue the recreational purpose for which the property was formerly used and intended on a nondiscriminatory basis for the use and benefit of all citizens of the community; provided, however, that nothing in this subsection shall have the effect of authorizing alienation of title to such property in derogation of rights, duties, and obligations imposed by prior deed, contract, or like document of similar import or that would cause the divesting of title to property dedicated to public use and not subsequently abandoned; and provided, further, that the lessee or contractee under a management contract shall not mortgage or pledge the property as security for any debt or incur any encumbrance that could result in a lien or claim of lien against the property. The lease or management contract may provide for options to renew such lease or management contract for not more than three renewal periods and each such renewal period shall not be greater than the original length of such lease or

management contract. As a condition of any lease or management contract, the lessee or contractee shall provide and maintain in force and effect throughout the term of such lease or management contract sufficient liability insurance, in an amount not less than $1 million per claim, no aggregate, naming the City of Griffin as a named insured; shall assume sole responsibility for or incur liability for any injury to person or property caused by any act of omission of such person while on the property; and shall agree to indemnify the City of Griffin and hold it harmless from any claim, suit, or demand made by such person. As an additional condition of any such lease or management contract, the lessee or contractee shall provide to and maintain with the City of Griffin a current copy of the liability insurance policy, including any changes in such policy or coverages as such changes occur, and shall provide proof monthly in writing to the City of Griffin that the lessee or contractee has in force and effect the liability insurance required by this subsection which the City of Griffin shall retain on file. As a further condition of any lease or management contract, the lessee or contractee shall agree to indemnify the City of Griffin and hold it harmless from any claim, suit, or demand arising out of any improvements to the property or any indebtedness or obligations incurred by the lessee or contractee in making any such improvements to such property. When the lessee or contractee charges any person to enter or go upon the land for the purpose of attending the annual regional fair or for attending or participating in recreational purposes, the consideration received by the City of Griffin for the lease or management contract shall not be deemed a charge within the meaning of Article 2 of Chapter 3 of Title 51 of the O.C.G.A.

(b) The City of Griffin shall have the right unilaterally to terminate such lease after giving three months´ notice of its intention to do so.

(c) Any lease entered into as provided in subsection (a) of this section shall be automatically terminated upon conviction of the lessee or contractee for any offense involving the conduct of unlawful activity. In such event, any improvements to the property made by the lessee shall be forfeited. The City of Griffin shall not be liable in any manner or subject to suit for any indebtedness or other obligations of the lessee or contractee associated with any such improvements to the property and shall take such improvements free and clear of any such indebtedness or other obligations.

(d) Any lease entered into as provided in subsection (a) of this section shall be for the fair market value of the property; provided, however, that improvements made by the tenant to the leased property and donated to the City of Griffin or an authority of the City of Griffin shall be valued and may apply as rent on a prorated basis and that, at the expiration or termination of such lease, such improvements shall remain and shall be the property of the City of Griffin or an authority of the City of Griffin, as applicable.

SECTION 2.

This Act shall become effective on July 1, 2004, provided that House Bill No. 1565 passed by the General Assembly during its 2004 Regular Session authorizing the General Assembly by local law to authorize municipalities to enter into the type of leases contemplated by this Act becomes effective on or before such date. Otherwise, this Act shall stand repealed as of such date and shall be of no force and effect.

SECTION 3.

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