

House Bill 63 (AS PASSED HOUSE AND SENATE)

By: Representative Ehrhart of the 36<sup>th</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To amend Title 36 of the Official Code of Georgia Annotated, relating to local government,  
2 so as to provide for the comprehensive revision of redevelopment powers; to repeal in its  
3 entirety Chapter 44, the "Redevelopment Powers Law"; to reenact provisions regarding  
4 redevelopment; to provide for a short title; to provide for definitions; to provide for  
5 legislative purposes; to provide for redevelopment agencies; to provide for redevelopment  
6 powers and delegation thereof; to provide for redevelopment plan proposals and approved  
7 plans; to provide for creation and termination of the allocation districts; to provide for tax  
8 increment financing; to provide for redevelopment costs; to provide for tax allocation bonds  
9 and bond anticipation notes; to provide for millage rates; to provide for contractual  
10 agreements; to provide for use of funds; to provide for conflicts of interest, voidable  
11 contracts, and misconduct; to provide for comprehensive procedures, conditions, limitations,  
12 requirements, and applicability with regard to the foregoing; to place restrictions on the  
13 ability of local government authorities to issue revenue bonds and other revenue obligations  
14 that are payable from payments in lieu of property taxes; to provide for the applicability and  
15 nonapplicability of such restrictions; to provide for powers, duties, and responsibilities of  
16 each county board of tax assessors and local governments and local government authorities  
17 with respect to the foregoing; to provide for related matters; to provide an effective date; to  
18 repeal conflicting laws; and for other purposes.

19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

20 **SECTION 1.**

21 Title 36 of the Official Code of Georgia Annotated, relating to local government, is amended  
22 by repealing in its entirety Chapter 44, the "Redevelopment Powers Law."

23 **SECTION 2.**

24 Said title is further amended by adding a new chapter to read as follows:

"CHAPTER 44

36-44-1.

This chapter shall be known and may be cited as the 'Redevelopment Powers Law.'

36-44-2.

It is found and declared that economically and socially depressed areas exist within counties and municipalities of this state and that these areas contribute to or cause unemployment, limit the tax resources of counties and municipalities, and create a greater demand for governmental services and, in general, have a deleterious effect upon the public health, safety, morals, and welfare. It is, therefore, in the public interest that such areas be redeveloped to the maximum extent practicable to improve economic and social conditions therein in order to abate or eliminate such deleterious effects. To encourage such redevelopment, it is essential that the counties and municipalities of this state have additional powers to form a more effective partnership with private enterprise to overcome economic limitations that have previously impeded or prohibited redevelopment of such areas. It is the purpose of this chapter, therefore, to grant such additional powers to the counties and municipalities of this state, and it is the intention of the General Assembly that this chapter be liberally construed to carry out such purpose.

36-44-3.

As used in this chapter, the term:

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

(A) Those ad valorem property taxes levied to repay bonded indebtedness;

(B) Unless otherwise provided in the resolution creating such district, those ad valorem property taxes levied on personal property or on motor vehicles; and

(C) Unless otherwise provided in the resolution creating such district, those ad valorem property taxes levied on the assessed value of property owned by public utilities and railroad companies, as determined pursuant to the provisions of Chapter 5 of Title 48.

(2) 'Area of operation' means, in the case of a municipality or its redevelopment agency, the territory lying within the corporate limits of such municipality; in the case of a county or its redevelopment agency, the territory lying within the unincorporated area of the county; and, in the case of a consolidated government or its redevelopment agency, the area lying within the territorial boundaries of the consolidated government. 'Area of

operation' may also mean the combined areas of operation of political subdivisions which participate in the creation of a common redevelopment agency to serve such participating political subdivisions as provided in subsection (d) of Code Section 36-44-4.

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

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

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

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

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

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

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

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

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

(G) The construction, installation, preservation, renovation, rehabilitation, reconstruction, restoration, alteration, improvement, and maintenance of public art and arts and cultural facilities;

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

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

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

(K) Improving or increasing the value of property; and

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

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

(7) 'Redevelopment area' means an urbanized area as determined by current data from the U. S. Bureau of the Census or an area presently served by sewer that qualifies as a 'blighted or distressed area,' a 'deteriorating area,' or an 'area with inadequate infrastructure,' as follows:

(A) A 'blighted or distressed area' is an area that is experiencing one or more conditions of blight as evidenced by:

(i) The presence of structures, buildings, or improvements that by reason of dilapidation; deterioration; age; obsolescence; inadequate provision for ventilation, light, air, sanitation, or open space; overcrowding; conditions which endanger life or property by fire or other causes; or any combination of such factors, are conducive to ill health, transmission of disease, infant mortality, high unemployment, juvenile delinquency, or crime and are detrimental to the public health, safety, morals, or welfare;

(ii) The presence of a predominant number of substandard, vacant, deteriorated, or deteriorating structures; the predominance of a defective or inadequate street layout or transportation facilities; or faulty lot layout in relation to size, accessibility, or usefulness;

(iii) Evidence of pervasive poverty, defined as being greater than 10 percent of the population in the area as determined by current data from the U.S. Bureau of the Census, and an unemployment rate that is 10 percent higher than the state average;

(iv) Adverse effects of airport or transportation related noise or environmental contamination or degradation or other adverse environmental factors that the political subdivision has determined to be impairing the redevelopment of the area; or

(v) The existence of conditions through any combination of the foregoing that substantially impair the sound growth of the community and retard the provision of housing accommodations or employment opportunities;

(B) A 'deteriorating area' is an area that is experiencing physical or economic decline or stagnation as evidenced by two or more of the following:

(i) The presence of a substantial number of structures or buildings that are 40 years old or older and have no historic significance;

(ii) High commercial or residential vacancies compared to the political subdivision as a whole;

(iii) The predominance of structures or buildings of relatively low value compared to the value of structures or buildings in the surrounding vicinity or significantly slower growth in the property tax digest than is occurring in the political subdivision as a whole;

(iv) Declining or stagnant rents or sales prices compared to the political subdivision as a whole;

(v) In areas where housing exists at present or is determined by the political subdivision to be appropriate after redevelopment, there exists a shortage of safe, decent housing that is not substandard and that is affordable for persons of low and moderate income; or

(vi) Deteriorating or inadequate utility, transportation, or transit infrastructure; and

(C) An 'area with inadequate infrastructure' means an area characterized by:

(i) Deteriorating or inadequate parking, roadways, bridges, pedestrian access, or public transportation or transit facilities incapable of handling the volume of traffic into or through the area, either at present or following redevelopment; or

(ii) Deteriorating or inadequate utility infrastructure either at present or following redevelopment.

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

(A) Capital costs, including the costs incurred or estimated to be incurred for the construction of public works or improvements, new buildings, structures, and fixtures, including facilities owned or operated by school districts and systems; the renovation, rehabilitation, reconstruction, remodeling, repair, demolition, alteration, or expansion of existing buildings, structures, and fixtures, including facilities owned or operated by school districts and systems; the acquisition of equipment; and the clearing and grading of land;

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

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

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

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

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

(G) Payments to a political subdivision or board of education in lieu of taxes to compensate for any loss of tax revenues or for any capital costs incurred because of redevelopment activity; provided, however, that any such payments to a political subdivision or board of education shall not exceed in any year the amount of the contribution to the tax allocation increment in that year by such political subdivision or board of education; and

(H) Real property assembly costs.

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

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

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

205 anticipated to be adequately preserved, protected, or improved without the approval of  
206 the redevelopment plan;

207 (C) Explains the proposed uses after redevelopment of real property within the  
208 redevelopment area;

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

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

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

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

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

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

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

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

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

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

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

239 (L) Contains a map specifying the boundaries of the proposed tax allocation district  
240 and showing existing uses and conditions of real property in the proposed tax allocation  
241 district;

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

(N) Specifies ad valorem property taxes for computing tax allocation increments determined in accordance with Code Section 36-44-9 and supported by any resolution required under paragraph (3) of Code Section 36-44-8;

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

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

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

(R) If the plan proposes to include in the tax allocation increment ad valorem taxes levied by a board of education, the plan shall contain a school system impact analysis addressing the financial and operational impact on the school system of the proposed redevelopment, including but not limited to an estimate of the number of net new public school students that could be anticipated as redevelopment occurs; the location of school facilities within the proposed redevelopment area; an estimate of educational special purpose local option sales taxes projected to be generated by the proposed redevelopment, if any; and a projection of the average value of residential properties resulting from redevelopment compared to current property values in the redevelopment area; and

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

(10) 'Resolution' means a resolution or ordinance by which a local legislative body takes official legislative action, and any duly-adopted amendment thereto.

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

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

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

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

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

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

(16) 'Taxable property' means all real and personal property subject to ad valorem taxation by a political subdivision, including property subject to local ad valorem taxation for educational purposes.

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

36-44-4.

(a) As an alternative to the creation of a redevelopment agency provided for by subsections (b) through (f) of this Code section, the local legislative body of a political subdivision, by resolution, may designate itself as its respective redevelopment agency and may exercise, within its respective area of operation, the redevelopment powers provided by this chapter.

(b) The local legislative body of a political subdivision may create a public body corporate and politic to serve as its redevelopment agency. Any such public corporation may be created by resolution adopted by the local legislative body of the political subdivision. Such resolution may provide for the membership of the board of directors of such public corporation and their terms of office, for the powers and duties of such public corporation,

315 and for such other matters as may reasonably be necessary and convenient for the creation  
316 and activation of such public corporation as the redevelopment agency of the political  
317 subdivision.

318 (c) In the event a political subdivision has activated a public corporation as its 'urban  
319 redevelopment agency' or designated a housing authority as its 'urban redevelopment  
320 agency' pursuant to Code Sections 36-61-17 and 36-61-18 of the 'Urban Redevelopment  
321 Law,' the local legislative body of such political subdivision may designate such public  
322 corporation as its redevelopment agency for the purposes of this chapter. Any action taken  
323 pursuant to the authority of this subsection shall be by resolution duly adopted by the local  
324 legislative body of the political subdivision.

325 (d) Any county, municipality, and consolidated government, or any combination of such  
326 political subdivisions, by resolution of their respective local legislative bodies, may jointly  
327 create a public corporation, or designate an existing public corporation which already  
328 exercises 'redevelopment powers' under any other law, to serve as the common  
329 redevelopment agency on behalf of such political subdivisions. The membership of the  
330 board of directors and their terms of office of any such jointly created public corporation  
331 and the powers and duties of such public corporation shall be as mutually agreed upon by  
332 the local legislative bodies of the participating political subdivisions, as evidenced by a  
333 resolution duly adopted by each such local legislative body. In the event a public  
334 corporation is created or designated, as authorized in this Code section, to serve as the  
335 common redevelopment agency of two or more political subdivisions, then the area of  
336 operation of such redevelopment agency shall be the combined areas of operation of the  
337 political subdivisions jointly creating or designating such redevelopment agency.

338 (e) A political subdivision may participate in the creation or designation of a public  
339 corporation to serve as a common redevelopment agency as provided by subsection (d) of  
340 this Code section as well as create or designate a public corporation to serve as the  
341 redevelopment agency of the political subdivision. In such event, the members of the board  
342 of directors of the public corporation created or designated as the redevelopment agency  
343 of the political subdivision may also serve, in accordance with the provisions of the  
344 resolution of the local legislative body of the political subdivision participating in the  
345 creation or designation of a public corporation to serve as a common redevelopment  
346 agency, as members of the board of directors of the jointly created public corporation.

347 (f) For purposes of redevelopment in its downtown area, any municipality may designate  
348 a downtown development authority created pursuant to Chapter 42 of this title to serve as  
349 a redevelopment agency. Such designation shall not affect any other redevelopment agency  
350 that may exist as a part of the municipality. The area of operation of any downtown  
351 development agency designated as a redevelopment agency pursuant to this subsection

shall not exceed the area of operation of the downtown development authority established pursuant to Chapter 42 of this title.

36-44-5.

(a) Subject to the limitation of subsection (b) of this Code section, a political subdivision may exercise any powers necessary or convenient to carry out the purposes of this chapter, including, but not limited to, the power to:

(1) Describe the boundaries of one or more redevelopment areas within its area of operation, but any redevelopment area so described shall conform to the definition of a redevelopment area provided by paragraph (7) of Code Section 36-44-3;

(2) Cause redevelopment plans to be prepared, to approve by resolution the plans, and to implement the provisions and effectuate the purposes of the plans;

(3) Create within redevelopment areas tax allocation districts and define the boundaries thereof or designate an entire redevelopment area as a tax allocation district;

(4) Define the boundaries of portions of a redevelopment area or an entire redevelopment area for the implementation of redevelopment plans other than plans calling for the creation of tax allocation districts;

(5) Issue tax allocation bonds;

(6) Deposit moneys into and disburse moneys from the special fund of any tax allocation district;

(7) Enter into and execute any contracts, leases, mortgages, or other agreements, including agreements with bondholders or lenders, determined by the local legislative body to be necessary or convenient to implement the provisions and effectuate the purposes of redevelopment plans. The contracts or agreements may include conditions, restrictions, or covenants which either run with the land or otherwise regulate the use of land;

(8) Acquire and retain or acquire and dispose of property or interests therein for redevelopment purposes or use or dispose of property or interests therein presently owned by the political subdivision for redevelopment purposes; and any disposition of such property or interests therein may be by public or private sale or lease; and

(9) Exercise, for the purposes of this chapter, any powers conferred upon political subdivisions by Chapter 61 of this title, the 'Urban Redevelopment Law.'

(b) The powers granted to political subdivisions by subsection (a) of this Code section and by this chapter and any powers delegated to a redevelopment agency pursuant to Code Section 36-44-6 may be exercised only for the purpose of adopting and implementing redevelopment plans, but this limitation shall not be construed to interfere with the exercise

387 of any power now or hereafter possessed by a political subdivision which is granted by any  
388 other law.

389 36-44-6.

390 (a) Subject to the limitations of subsection (b) of this Code section, the local legislative  
391 body of a political subdivision, by resolution, may delegate any of its redevelopment  
392 powers to its redevelopment agency created or designated pursuant to Code Section  
393 36-44-4. The local legislative body shall have authority to delegate some or all such  
394 powers in such manner and pursuant to such terms and conditions as the local legislative  
395 body shall provide by resolution. Any such resolution shall specify any powers delegated  
396 to a redevelopment agency, and such resolution may be amended, modified, or repealed by  
397 the local legislative body adopting it.

398 (b) Any delegation of redevelopment powers pursuant to the authority of subsection (a)  
399 of this Code section shall be limited by the following requirements:

400 (1) Any redevelopment plan must be approved by resolution of the local legislative body  
401 of the political subdivision as a condition precedent to the implementation of said  
402 redevelopment plan, and such approval shall be subject to the requirements of Code  
403 Section 36-44-7;

404 (2) The boundaries of any redevelopment area must be described by resolution of the  
405 local legislative body of the political subdivision;

406 (3) A tax allocation district must be created by resolution of the local legislative body of  
407 the political subdivision;

408 (4) The issuance of any tax allocation bonds shall be by resolution of the local legislative  
409 body of the political subdivision;

410 (5) The power of eminent domain may only be exercised under this chapter by the local  
411 legislative body of a political subdivision; and

412 (6) A local legislative body may not delegate to a redevelopment agency created under  
413 subsection (b), (c), (d), or (e) of Code Section 36-44-4 any urban redevelopment project  
414 powers except those which may be conferred on an urban redevelopment agency under  
415 Code Section 36-61-17 of the 'Urban Redevelopment Law.'

416 36-44-7.

417 (a) A redevelopment plan may be proposed by the redevelopment agency of a political  
418 subdivision, but such plan may not be implemented until it is approved by the adoption of  
419 a resolution of the local legislative body of the political subdivision as provided in this  
420 chapter.

(b) When a proposed redevelopment plan is prepared, it shall be submitted by the redevelopment agency to the local legislative body. Within the 60 day period after the plan is submitted, the local legislative body shall hold at least one public hearing on the proposed redevelopment plan. The local legislative body shall cause the time, date, place, and purpose of each such public hearing to be advertised in one or more newspapers of general circulation within the area of operation of the political subdivision at least once during a period of five days immediately preceding the date of each public hearing.

(c) Within 45 days after completing the public hearings required by subsection (b) of this Code section, the local legislative body of the political subdivision shall schedule and hold a meeting of the local legislative body for the purpose of considering the approval of the redevelopment plan. The local legislative body shall cause the date, time, place, and purpose of such meeting to be advertised in one or more newspapers of general circulation within the area of operation of the political subdivision at least once during a period of five days immediately preceding the date of such meeting. At such meeting the redevelopment plan shall be approved as submitted, amended and approved, or rejected and returned to the redevelopment agency for further consideration. Any redevelopment plan rejected by the local legislative body shall be returned to the redevelopment agency and shall be subject to the public hearing requirements of subsection (b) of this Code section if it is again submitted to the local legislative body for approval, either in the same or amended form.

(d) Once approved by the local legislative body, a redevelopment plan may be amended only by the local legislative body of the political subdivision. The local legislative body shall cause the date, time, place, and purpose of any meeting of the local legislative body at which an amendment to a redevelopment plan is to be considered to be advertised in the same manner as prescribed by subsection (c) of this Code section for a meeting to consider the adoption of a redevelopment plan.

36-44-8.

In order to create and carry out the purposes of a tax allocation district, the following steps are required:

(1) Preparation by the redevelopment agency of a redevelopment plan for the proposed tax allocation district and its submission for consent to the political subdivision or board of education required to consent, if the plan proposes to include in the tax allocation increment ad valorem property taxes levied by a political subdivision or board of education required to consent to such inclusion under Code Section 36-44-9, or if the plan proposes to pledge for payment or security for payment of tax allocation bonds and other redevelopment costs the general funds of a county required to consent to such inclusion under Code Section 36-44-9;

(2) Submission of the redevelopment plan to the local legislative body of the political subdivision whose area of operation will include the tax allocation district;

(3) Adoption by the local legislative body of a resolution approving the redevelopment plan and which:

(A) Describes the boundaries of the tax allocation district with sufficient definiteness to identify with ordinary and reasonable certainty the territory included. The boundaries shall include only those whole units of property assessed for ad valorem property tax purposes;

(B) Creates the district on December 31 following the adoption of the resolution or on December 31 of a subsequent year as determined by the local legislative body;

(C) Assigns a name to the district for identification purposes. The first district created shall be known as 'Tax Allocation District Number 1,' followed by the name of the political subdivision within whose area of operation the district is located;

(D) Specifies the estimated tax allocation increment base;

(E) Specifies ad valorem property taxes to be used for computing tax allocation increments;

(F) Specifies the property proposed to be pledged for payment or security for payment of tax allocation bonds which property may include positive tax allocation increments derived from the tax allocation district, all or part of general funds derived from the tax allocation district, and any other property from which bonds may be paid under Code Section 36-44-14, as determined by the political subdivision subject to the limitations of Code Sections 36-44-9 and 36-44-20; and

(G) Contains findings that:

(i) The redevelopment area on the whole has not been subject to growth and development through private enterprise and would not reasonably be anticipated to be developed without the approval of the redevelopment plan or includes one or more natural, historical, or cultural assets which have not been adequately preserved or protected and such asset or assets would not reasonably be anticipated to be adequately preserved, protected, or improved without the approval of the redevelopment plan; and

(ii) The improvement of the area is likely to enhance the value of a substantial portion of the other real property in the district.

If any information required to be included in the resolution approving the redevelopment plan under subparagraphs (A) through (G) of this paragraph is contained in the redevelopment plan, then the resolution approving the redevelopment plan may incorporate by reference that portion of the redevelopment plan containing said information; and

494 (4) A certified copy of any resolution giving the consent required under paragraph (1)  
495 of this Code section must be submitted to the local legislative body of the political  
496 subdivision whose area of operation will include the tax allocation district prior to  
497 inclusion of such ad valorem property taxes or general funds in calculation of the tax  
498 allocation increment.

499 36-44-9.

500 (a) When a tax allocation district is created within the area of operation of a municipality  
501 by the local legislative body of such municipality, property taxes for computing tax  
502 allocation increments shall be based on all ad valorem property taxes levied by the  
503 municipality. If the municipality has an independent school system, ad valorem property  
504 taxes levied for educational purposes by the municipality shall be included in computing  
505 the tax allocation increments if the local legislative body of the municipality is empowered  
506 to make the determination of the municipal ad valorem tax millage rate for educational  
507 purposes. If the board of education of the independent school system is empowered to set  
508 the ad valorem tax millage rate for educational purposes and the local legislative body of  
509 the municipality does not have the authority to modify such rate set by the board of  
510 education, the tax allocation increment shall not be computed on the basis of municipal  
511 taxes for educational purposes unless the board of education of the independent school  
512 system consents, by resolution duly adopted by said board of education, to the inclusion  
513 of educational ad valorem property taxes as a basis for computing tax allocation  
514 increments.

515 (b) County ad valorem property taxes may be included in the computation of tax allocation  
516 increments of a municipal tax allocation district if the local legislative body of the county  
517 consents to such inclusion by resolution duly adopted by said local legislative body. For  
518 those municipalities which do not have an independent school system, ad valorem property  
519 taxes levied for county school district purposes may be included in the computation of tax  
520 allocation increments of a municipal tax allocation district if the county board of education  
521 or the local legislative body of the county, whichever is authorized to establish the ad  
522 valorem tax millage rate for educational purposes, consents to such inclusion by resolution  
523 duly adopted by said board of education or local legislative body, respectively.

524 (c) When a tax allocation district is created within the area of operation of a county by the  
525 local legislative body of the county, property taxes for computing tax allocation increments  
526 shall be based on all county ad valorem property taxes levied for county governmental  
527 purposes. Ad valorem property taxes levied for county school district purposes may be  
528 included in the computation of tax allocation increments for a county tax allocation district  
529 if the board of education of the county school district or the local legislative body of the

county, whichever is authorized to establish the ad valorem tax millage rate for educational purposes, consents to such inclusion by resolution duly adopted by said board of education or local legislative body, respectively.

(d) When a tax allocation district is created within the area of operation of a consolidated government by the local legislative body of the consolidated government, property taxes for computing tax allocation increments shall be based on all consolidated government ad valorem property taxes levied for consolidated government purposes. Ad valorem property taxes levied for school district purposes within the boundaries of the consolidated government may be included in the computation of tax allocation increments for a consolidated government tax allocation district if the board of education of such school district or the local legislative body of the consolidated government, whichever is authorized to establish the ad valorem tax millage rate for educational purposes within the school district, consents to such inclusion by resolution duly adopted by said board of education or local legislative body, respectively.

(e) The resolution of any county, municipality, consolidated government or board of education consenting to the inclusion of ad valorem property taxes in the computation of tax increments shall not specify the inclusion of any ad valorem property taxes not specified in the resolution creating the tax allocation district.

(f) A county may pledge all or part of county general funds derived from a municipal tax allocation district for payment or security of payment of tax allocation bonds issued by the municipality and for payment of other redevelopment costs of the tax allocation district if the local legislative body of the county consents to the use of such general funds by resolution duly adopted by said local legislative body.

(g) Any consent by a local board of education to the inclusion of educational ad valorem property taxes as a basis for computing tax allocation increments and any authorization to use such funds for such purposes that was approved before January 1, 2009, and not rescinded or repealed prior to the effective date of this Code section is ratified and confirmed pursuant to the authority granted by Article IX, Section II, Paragraph VII of the Constitution, as amended by a resolution ratified at the November, 2008 general election, Ga. L. 2008, p. 777, to authorize the use of county, municipal, and school tax funds, or any combination thereof, for redevelopment purposes and programs notwithstanding Article VIII, Section VI or any other provision of the Constitution and regardless of whether any county, municipality, or local board of education approved the use of such tax funds for such purposes and programs before or after January 1, 2009.

36-44-10.

565 (a) No later than the effective date of the creation of the tax allocation district, the  
566 redevelopment agency shall apply, in writing, to the state revenue commissioner for a  
567 determination of the tax allocation increment base of the tax allocation district. Within a  
568 reasonable time, and not exceeding 60 days after the effective date of the creation of the  
569 tax allocation district, the state revenue commissioner shall certify such tax allocation  
570 increment base, as of the effective date of the creation of the tax allocation district, to the  
571 redevelopment agency, and such certification, unless amended pursuant to subsection (b)  
572 of this Code section, shall constitute the tax allocation increment base of the tax allocation  
573 district.

574 (b) If the local legislative body of a political subdivision adopts an amendment to the  
575 resolution which created a tax allocation district and such amendment changes the  
576 boundaries of that tax allocation district so as to cause additional redevelopment costs for  
577 which tax allocation increments may be received by the political subdivision, the tax  
578 allocation increment base for the revised or amended district shall be redetermined  
579 pursuant to subsection (a) of this Code section as of the effective date of such amendment.  
580 The tax allocation increment base as redetermined under this subsection is effective for the  
581 purposes of this chapter only if it exceeds the original tax allocation increment base  
582 determined under subsection (a) of this Code section.

583 (c) It is a rebuttable presumption that any property within a tax allocation district acquired  
584 or leased as lessee by the political subdivision, or any agency or instrumentality thereof,  
585 within one year immediately preceding the date of the creation of the district was so  
586 acquired or leased in contemplation of the creation of the district. The presumption may  
587 be rebutted by the political subdivision with proof that the property was so leased or  
588 acquired primarily for a purpose other than to reduce the tax allocation increment base. If  
589 the presumption is not rebutted, in determining the tax allocation increment base of the  
590 district, but for no other purpose, the taxable status of the property shall be determined as  
591 though such lease or acquisition had not occurred.

592 (d) For each political subdivision whose area of operation includes a tax allocation district,  
593 the county board of tax assessors, joint city-county board of tax assessors, or board of tax  
594 assessors for a consolidated government, as the case may be, shall identify upon the tax  
595 digests of the political subdivision those parcels of property which are within each existing  
596 tax allocation district, specifying the name of each district. A similar notation shall appear  
597 on tax digests submitted to the state revenue commissioner pursuant to Code Section  
598 48-5-302, relative to the submission of tax digests to the state revenue commissioner.

599 (e) The county board of tax assessors, joint city-county board of tax assessors, or  
600 consolidated government board of tax assessors shall annually give notice to the county tax  
601 collector or tax commissioner and to the municipal official responsible for collecting

municipal ad valorem property taxes as to both the current taxable value of property subject to ad valorem property taxes within each tax allocation district and the tax allocation increment base. The notice shall also explain that any taxes collected as a result of increases in the tax allocation increment base constitute tax allocation increments and shall be paid to the appropriate political subdivision as provided by subsection (b) of Code Section 36-44-11.

36-44-11.

(a) Positive tax allocation increments of a tax allocation district shall be allocated to the political subdivision which created the district for each year from the effective date of the creation of the district until that time when all redevelopment costs and all tax allocation bonds of the district have been paid or provided for, subject to any agreement with bondholders. General funds derived from the tax allocation district which have been pledged for payment or security for payment of tax allocation bonds and other redevelopment costs of the tax allocation district shall also be allocated to the political subdivision which created the district for each year from the effective date of the creation of the district until that time when all redevelopment costs and all tax allocation bonds have been paid or provided for, subject to any agreement with bondholders.

(b)(1) Each county tax collector or tax commissioner, municipal official responsible for collecting municipal ad valorem property taxes, or consolidated government official responsible for collecting consolidated government ad valorem property taxes shall, on the dates provided by law for the payment of taxes collected to the respective political subdivisions, pay over to the appropriate fiscal officer of each political subdivision having created a tax allocation district, out of taxes collected on behalf of such political subdivision, including but not limited to taxes collected for a political subdivision or board of education consenting, pursuant to Code Section 36-44-9, to inclusion of its ad valorem property taxes in the computation of tax allocation increments for that tax allocation district, that portion, if any, which represents positive tax allocation increments payable to such political subdivision.

(2) In addition, each county shall, upon receipt, pay over to the appropriate fiscal officer of each municipality having created a tax allocation district that portion, if any, of its general funds derived from the tax allocation district which have been pledged for payment or security for payment of tax allocation bonds and for payment of other redevelopment costs of the tax allocation district pursuant to Code Section 36-44-9.

(c) All positive tax allocation increments received for a tax allocation district shall be deposited into a special fund for the district upon receipt by the fiscal officer of the political subdivision. All general funds derived from the tax allocation district which have been

638 pledged for payment or security for payment of tax allocation bonds and other  
639 redevelopment costs of the tax allocation district shall be deposited upon receipt into the  
640 special fund. Any lease or other contract payments made under the district's redevelopment  
641 plan shall also be deposited upon receipt into the special fund. Moneys derived from  
642 positive tax allocation increments, general fund moneys, and moneys derived from lease  
643 or other contract payments shall be accounted for separately within the special fund.  
644 Moneys shall be paid out of the fund only to pay redevelopment costs of the district or to  
645 satisfy claims of holders of tax allocation bonds issued for the district. The local legislative  
646 body shall irrevocably pledge all or a part of such special fund to the payment of the tax  
647 allocation bonds. The special fund or designated part thereof may thereafter be used only  
648 for the payment of the tax allocation bonds and interest until they have been fully paid, and  
649 a holder of said bonds shall have a lien against the special fund or said designated part  
650 thereof pledged for payment of said bonds and may either at law or in equity protect and  
651 enforce the lien. General funds derived from the tax allocation district may be used for  
652 payment of tax allocation bonds only to the extent that positive tax allocation increments  
653 and lease or other contract payments in the special fund are insufficient at any time to pay  
654 principal and interest due on such bonds. Subject to any agreement with bondholders,  
655 moneys in the fund may be temporarily invested in the same manner as other funds of the  
656 political subdivision. Except as provided in Code Section 36-44-20, general funds derived  
657 from the tax allocation district may be used for payment of tax allocation bonds only to the  
658 extent that positive tax allocation increments and lease or other contract payments in the  
659 special fund are insufficient at any time to pay the principal and interest due on such bonds.  
660 After all redevelopment costs and all tax allocation bonds of the district have been paid or  
661 provided for, subject to any agreement with bondholders, if there remains in the fund any  
662 moneys derived from positive tax allocation increments, they shall be paid over to each  
663 county, municipality, consolidated government, or county or independent board of  
664 education whose ad valorem property taxes were affected by the tax allocation district in  
665 proportion to the aggregate contribution of such taxes by such political subdivision less  
666 aggregate payments to such political subdivision pursuant to subparagraph (G) of  
667 paragraph (8) of Code Section 36-44-3 and in the same manner as the most recent  
668 distribution by the county tax collector or tax commissioner, municipal official responsible  
669 for collecting municipal ad valorem property taxes, or consolidated government official  
670 responsible for collecting consolidated government ad valorem property taxes. If there  
671 remains in the fund any other moneys, they shall be paid over to each political subdivision  
672 which contributed to the fund in proportion to the respective total contribution each made  
673 to the fund.

674 36-44-12.

675 The existence of a tax allocation district shall terminate when the local legislative body, by  
676 resolution, dissolves the district, but no such resolution may be adopted until all  
677 redevelopment costs have been paid.

678 36-44-13.

679 Payment of redevelopment costs may be made by any of the following methods or any  
680 combination thereof:

681 (1) Payment by the political subdivision from the special fund of the tax allocation  
682 district;

683 (2) Payment from the general funds of a political subdivision subject to the limitations  
684 of Code Sections 36-44-9 and 36-44-20;

685 (3) Payment out of the proceeds of the sale of revenue bonds issued by the political  
686 subdivision pursuant to Chapter 61 of this title, the 'Urban Redevelopment Law,' and  
687 revenue bonds may be issued under such law for redevelopment purposes within the  
688 meaning of this chapter;

689 (4) Payment out of the proceeds of the sale of tax allocation bonds issued by the political  
690 subdivision under this chapter;

691 (5) Payment from the proceeds from any loans made to a political subdivision pursuant  
692 to the authority of Code Section 36-44-16; and

693 (6) Lease payments and other payments pursuant to contracts under a redevelopment  
694 plan.

695 36-44-14.

696 (a) Only for the purpose of paying redevelopment costs for a tax allocation district created  
697 under this chapter, the local legislative body may issue tax allocation bonds. Tax allocation  
698 bonds are declared to be negotiable instruments. Tax allocation bonds issued under the  
699 provisions of this chapter are declared to be issued for an essential public and governmental  
700 purpose and, together with interest thereon and income therefrom, shall be exempted from  
701 all taxes.

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

707 (c) Tax allocation bonds, notes, or other obligations issued by a local legislative body  
708 under this chapter shall be payable solely from the property pledged, mortgaged, conveyed,

assigned, hypothecated, or otherwise encumbered to secure or to pay such bonds, notes, or other obligations, which property shall be limited to real or personal property acquired pursuant to this chapter and the proceeds from any source from which redevelopment costs may be paid under Code Section 36-44-13, but subject to the limitations of Code Sections 36-44-9 and 36-44-20. Each such bond, note, or other obligation shall contain recitals as are necessary to show that it is only so payable and that it does not otherwise constitute an indebtedness or a charge against the general taxing power of the political subdivision or county or independent board of education consenting to the use of property taxes as a basis for computing tax allocation increments or consenting to the use of general funds derived from the tax allocation district.

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

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

(2) Make covenants and do any and all acts not inconsistent with the Constitution or this chapter as may be necessary or convenient or desirable in order additionally to secure tax allocation bonds, notes, or other obligations or tend to make them more marketable according to the best judgment of the local legislative body.

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

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

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

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

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

(j) Tax allocation bonds shall bear a certificate of validation. The signature of the clerk of the superior court of the county in which the issuing local legislative body is located may be made on the certificate of validation of such bonds by facsimile or by manual execution, stating the date on which such bonds were validated; and such entry shall be original evidence of the fact of judgment and shall be received as original evidence in any court in this state.

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

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

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

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

790 (o) Issuance by a local legislative body of one or more series of tax allocation bonds,  
791 notes, or other obligations for one or more purposes shall not preclude it from issuing other  
792 tax allocation bonds, notes, or other obligations in connection with the same redevelopment  
793 plan or with any other redevelopment plan; but the proceeding wherein any subsequent  
794 bonds, notes, or other obligations are issued shall recognize and protect any prior loan  
795 agreement, mortgage, deed to secure debt, trust deed, security agreement, or other  
796 agreement or instrument made for any prior issue of bonds, notes, or other obligations,  
797 unless in the resolution authorizing such prior issue the right is expressly reserved to the  
798 local legislative body to issue subsequent bonds, notes, or other obligations on a parity with  
799 such prior issue. Once the political subdivision certifies by resolution that all tax allocation  
800 bonds contemplated by the redevelopment plan and all amendments thereto have been  
801 issued and all other redevelopment costs within a tax allocation district have been paid, all  
802 positive tax allocation increments collected within a tax allocation district shall be used to  
803 retire outstanding tax allocation bonds prior to their stated maturities, subject to any  
804 agreements made by the political subdivision with bondholders.

805 (p) A local legislative body shall have the power and is authorized, whenever tax  
806 allocation bonds of the local legislative body shall have been validated as provided in this  
807 chapter, to issue from time to time its notes in anticipation of such bonds as validated and  
808 to renew from time to time any such notes by the issuance of new notes, whether or not the  
809 notes to be renewed have matured. The local legislative body may issue such bond  
810 anticipation notes only to provide funds which would otherwise be provided by the  
811 issuance of the bonds as validated. Such notes may be authorized, sold, executed, and  
812 delivered in the same manner as bonds. As with its bonds, the local legislative body may  
813 sell such notes at public sale or at private sale. Any resolution or resolutions authorizing  
814 such notes of the local legislative body or any issue thereof may contain any provisions  
815 which the local legislative body is authorized to include in any resolution or resolutions  
816 authorizing bonds of the local legislative body to any issue thereof; and the local legislative  
817 body may include in any such notes any terms, covenants, or conditions which the local  
818 legislative body is authorized to include in any bonds. Validation of such bonds shall be

819 a condition precedent to the issuance of such notes, but it shall not be required that such  
820 notes be judicially validated. Bond anticipation notes shall not be issued in an amount  
821 exceeding the par value of the bonds in anticipation of which they are to be issued.

822 36-44-15.

823 For the purpose of fixing the tax millage rate to fund the annual budget of each political  
824 subdivision or county or independent board of education having the power to levy taxes or  
825 set ad valorem tax millage rates on property located within a tax allocation district, which  
826 has consented to the inclusion of its ad valorem property taxes for the computation of tax  
827 allocation increments as provided in Code Section 36-44-9, the taxable value of property  
828 subject to ad valorem property taxes within a tax allocation district shall not exceed the tax  
829 allocation increment base of the district until the district is terminated. Nothing in this  
830 chapter shall be construed to freeze the ad valorem tax millage rate of any political  
831 subdivision or county or independent board of education consenting to the inclusion of its  
832 ad valorem property taxes as a basis for computing tax allocation increments, and any such  
833 rate may be increased or decreased at any time after the creation of a tax allocation district  
834 in the same manner and under the same authority that such rate has been previously fixed  
835 by such political subdivision or county or independent board of education.

836 36-44-16.

837 As an additional source for financing redevelopment costs, a political subdivision or its  
838 redevelopment agency may borrow funds from financial institutions and, in connection  
839 therewith, may pledge or assign lease contracts or revenue received from lease contracts  
840 on property owned by the political subdivision or its redevelopment agency within a  
841 redevelopment area. A political subdivision or its redevelopment agency is authorized to  
842 enter into contracts with financial institutions for the purpose of exercising the authority  
843 provided by this Code section, and such contracts may obligate the political subdivision or  
844 its redevelopment agency for any number of years not exceeding 25. Contractual  
845 obligations incurred by a political subdivision pursuant to this Code section shall not  
846 constitute debt within the meaning of Article IX, Section V of the Constitution.

847 36-44-17.

848 No political subdivision may create a tax allocation district when the total current taxable  
849 value of property subject to ad valorem property taxes within the proposed district plus the  
850 total current taxable value of property subject to ad valorem property taxes within all its  
851 existing tax allocation districts exceeds 10 percent of the total current taxable value of all  
852 taxable property located within the area of operation of the political subdivision.

36-44-18.

It is specifically provided that Code Section 36-61-16 of the 'Urban Redevelopment Law,' which Code section provides for cooperation among public bodies for redevelopment purposes under said law, shall be applicable to the exercise of redevelopment powers provided by this chapter.

36-44-19.

A political subdivision may enter into any contract relating to the exercise of its redevelopment powers under this chapter with any private persons, firms, corporations, or business entities for any period not exceeding 30 years. Such contracts may include, without being limited to, contracts to convey or otherwise obligate real property for redevelopment under this chapter although that property has not yet been acquired at the time of contracting by the county or municipality.

36-44-20.

(a) Notwithstanding any other provisions of this chapter, a local legislative body may use, pledge, or otherwise obligate its general funds for payment or security for payment of tax allocation bonds issued or incurred under this chapter but only if those general funds are derived from a designated tax allocation district and used for payment or security for payment of tax allocation bonds issued or incurred under this chapter for redevelopment of that district and only to the extent that positive tax increments or lease or other contract payments in that district's special fund are insufficient at any time to pay principal and interest due on such bonds.

(b) The requirement of insufficiency provided for in subsection (a) of this Code section may be satisfied by adoption of a resolution of the local legislative body finding that positive tax increments or lease or other contract payments in the district's special fund will be insufficient to pay principal and interest on bonds to be issued to finance redevelopment costs for the redevelopment described in the redevelopment plan.

36-44-21.

(a) No elected or appointed official or employee of a political subdivision or a board, commission, or redevelopment agency thereof shall voluntarily acquire any interest, direct or indirect, in any property included or planned to be included in a redevelopment area, or in any contract or transaction or proposed contract or transaction in connection with the redevelopment of that redevelopment area. Where such acquisition is not voluntary, the interest acquired shall be immediately disclosed in writing to the local legislative body and such disclosure shall be entered upon the minutes of the local legislative body. Any such

887 elected or appointed official or employee who, within two years immediately prior to the  
888 date the plan is submitted to a local legislative body under subsection (b) of Code Section  
889 36-44-7, acquires ownership or control of any interest, direct or indirect, in any property  
890 which is included in the redevelopment area designated in that plan and who retains that  
891 ownership or control at the time that such plan is so submitted shall, at least 30 days prior  
892 to the date scheduled for the local legislative body to adopt the plan, disclose the interest  
893 in writing to the local legislative body and such disclosure shall be entered upon the  
894 minutes of the local legislative body, and that person shall not participate in any action by  
895 the political subdivision, board, commission, or redevelopment agency thereof which  
896 affects that property. Any disclosure required to be made by this subsection shall  
897 concurrently be made to the redevelopment agency.

898 (b) Any contract or transaction in violation of subsection (a) of this Code section or  
899 disclosure of which is not made as provided in that subsection (a) shall be voidable by the  
900 local legislative body. This subsection shall not apply to any indenture, agreement,  
901 contract, or transaction which constitutes security, direct or indirect, for payment of bonds  
902 or other obligations incurred pursuant to a redevelopment plan, and the judgment and order  
903 confirming and validating any such bonds or other obligations shall constitute a final and  
904 conclusive adjudication as to any such security.

905 (c) Failure by an official or employee to comply with subsection (a) of this Code section  
906 shall constitute misconduct in office.

907 36-44-22.

908 Redevelopment powers under this chapter may not be exercised by any political  
909 subdivision unless so authorized by a local law relating thereto, which local law may limit  
910 but may not expand those redevelopment powers established by this chapter as to the local  
911 political subdivision to which the local law is applicable. Such local law, and all  
912 amendments thereto, shall become effective only if approved in a special election by a  
913 majority of the qualified voters voting of each political subdivision directly affected, which  
914 special election shall be held as provided in that local law, but in conformity with the  
915 requirements for special elections pursuant to Title 21.

916 36-44-23.

917 The powers provided by this chapter are intended by the General Assembly to be  
918 cumulative and supplemental to any powers heretofore provided by law for counties,  
919 municipalities, and consolidated governments of this state and not in lieu of any such  
920 heretofore existing powers."

**SECTION 3.**

Said title is further amended in Chapter 80, relating to general provisions regarding counties, municipalities, and other governmental entities, by adding a new Code section to read as follows:

"36-80-16.1.

(a) This Code section shall be known and may be cited as the 'PILOT Restriction Act.'

(b) As used in this Code section, 'payments in lieu of taxes' means payments made directly or indirectly:

(1) Primarily in consideration of the issuance of revenue bonds or other revenue obligations and the application by the issuer of such bonds or other obligations of the proceeds of such bonds or other obligations to finance all or a portion of the costs of acquiring, constructing, equipping, or installing a capital project; and

(2) In further consideration of the laws of the State of Georgia granting an exemption from ad valorem taxation for such capital project,

to or for the account of the issuer of revenue bonds or other revenue obligations or the public bodies whose consent would otherwise be required, in the case of the separate payments provided for under subsection (d) of this Code section. Payments in lieu of taxes shall be deemed to be payments in lieu of taxes for educational purposes in the same proportion that property taxes for educational purposes would bear to total property taxes on such capital project if the project were subject to ad valorem property taxation. The term 'payments in lieu of taxes' shall not include payments made primarily in consideration for the use or occupancy of property, including but not limited to lease payments or rent paid under a lease, regardless of whether or not the lessee or tenant holds an interest that is taxable for property tax purposes.

(c)(1) No local government authority, as defined in Code Section 36-80-16, shall be authorized to issue revenue bonds or other revenue obligations to finance, in whole or in part, any capital project if the terms governing such revenue bonds or other revenue obligations provide for such capital project to be used primarily by a nongovernmental user or users that have no taxable property interest in any portion of such capital project and provide for such revenue bonds or other revenue obligations to be repaid, in whole or in part, through payments in lieu of taxes made by a nongovernmental user or users, unless:

(A) Each of the local governments that have property tax levying authority in the area in which such capital project is located consents by ordinance or resolution to the use of payments in lieu of taxes for such purposes; and

(B) In the case of payments in lieu of taxes for educational purposes, a consent is obtained that covers the use for such purposes of such payments in accordance with

subsection (d) of this Code section, except that the terms governing such revenue bonds or other revenue obligations may provide for one or more of the public bodies, whose consent would otherwise be required, instead to receive, in such capacity, separate payments in lieu of taxes at least equal to the property taxes that such public body or bodies would have received if the capital project were subject to ad valorem taxation or in such other amount or amounts as may be agreed to by such public body or bodies.

(2) No such revenue bonds or other revenue obligations may be so issued without compliance with the requirements of paragraph (1) of this subsection.

(d)(1) When a capital project is located within the boundaries of a municipality with an independent school system, a consent by the municipality under subparagraph (c)(1)(B) of this Code section shall cover the use of payments in lieu of taxes for educational purposes, provided that, if the board of education of the independent school system is empowered to set the ad valorem tax millage rate for educational purposes and the legislative body of the municipality does not have the authority to modify such rate set by the board of education, the requisite consent shall be that of the board of education of the independent school system rather than that of the legislative body of the municipality.

(2) For those municipalities which do not have an independent school system, a consent by the municipality under subparagraph (c)(1)(B) of this Code section shall cover the use of payments in lieu of taxes for educational purposes if the county board of education or the local legislative body of the county, whichever is authorized to establish the ad valorem tax millage rate for educational purposes, consents to such coverage by resolution duly adopted by said board of education or local legislative body, as appropriate.

(3) The use of payments in lieu of taxes levied for county school district purposes shall be covered by a consent under subparagraph (c)(1)(B) of this Code section if the board of education of the county school district or the local legislative body of the county, whichever is authorized to establish the ad valorem tax millage rate for educational purposes, consents to such coverage by resolution duly adopted by said board of education or local legislative body, as appropriate.

(4) The use of payments in lieu of taxes levied for school district purposes within the boundaries of a consolidated government shall be covered by a consent under subparagraph (c)(1)(B) of this Code section if the board of education of such school district or the local legislative body of the consolidated government, whichever is authorized to establish the ad valorem tax millage rate for educational purposes within the school district, consents to such coverage by resolution duly adopted by said board of education or local legislative body, as appropriate.

(e) This Code section shall not affect revenue bonds or other revenue obligations which any local government authority has issued or which have been judicially validated on or before the effective date of this Code section. Each county board of tax assessors shall continue, notwithstanding this Code section, to exercise its powers and discharge its duties and is specifically authorized, without limitation, to use a method or methods of valuation for leases related to revenue bonds or other revenue obligations issued by a local government authority for a capital project or projects to be leased primarily to a nongovernmental user or users, based on assessments of the increasing interest of the nongovernmental user or users in the real or personal property, or both, over the term of the lease, or to use a simplified method or methods employing a specified percentage or specified percentages of such leasehold interests. Each local government authority that is authorized to issue revenue bonds or other revenue obligations secured by a taxable property interest, such as a taxable lease of a capital project, shall continue, notwithstanding this Code section, to exercise its powers and discharge its duties, including, in the case of development authorities, the development of trade, commerce, industry, and employment opportunities. Any local government or local government authority which directly or indirectly receives payments in lieu of taxes shall be authorized to use the same for any governmental or public purpose of such local government or local government authority."

#### **SECTION 4.**

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

#### **SECTION 5.**

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