

The House Committee on Intragovernmental Coordination offers the following substitute to SB 260:

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 8 of Title 50 of the Official Code of Georgia Annotated, relating to
2 Department of Community Affairs, so as to create the Central State Hospital Redevelopment
3 Authority; to confer powers and impose duties on the authority; to provide for membership
4 and appointment of members of the authority; to provide for terms of the members; to
5 provide for meetings; to prohibit employees and members from having certain interests; to
6 provide for revenue bonds; to provide for venue and jurisdiction; to provide for the
7 authority's purpose; to provide for rules and regulations; to provide for tax exemptions; to
8 provide for supplemental powers; to provide for liberal construction; to provide for successor
9 interests; to provide for definitions; to provide for an effective date; to provide for related
10 matters; to repeal conflicting laws; and for other purposes.

11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

12 **SECTION 1.**

13 Chapter 8 of Title 50 of the Official Code of Georgia Annotated, relating to Department of
14 Community Affairs, is amended by adding a new article to read as follows:

15 "ARTICLE 14

16 50-8-310.

17 As used in this article, the term:

18 (1) 'Authority' means the Central State Hospital Redevelopment Authority created in this
19 article.

20 (2) 'Central State Hospital' means the Central State Hospital in Milledgeville, Georgia,
21 now or formerly under the jurisdiction of the Department of Behavioral Health and
22 Developmental Disabilities.

23 (3) 'Cost of the project' means and embraces the cost of construction; the cost of all
24 lands, properties, rights, easements, and franchises acquired; the cost of all machinery and
25 equipment, financing charges, interest prior to and during construction and for one year
26 after completion of construction; the cost of engineering, architectural, fiscal agent, and
27 legal expenses, and of plans and specifications and other expenses necessary or incident
28 to determining the feasibility or practicability of the project, administrative expenses, and
29 such other expenses as may be necessary or incident to the financing authorized in this
30 article; the cost of the acquisition or construction of any project; and the cost of placing
31 any project in operation. Any obligation or expense incurred for any of the foregoing
32 purposes shall be regarded as a part of the cost of the project and may be paid or
33 reimbursed as such out of the proceeds of revenue bonds issued under the provisions of
34 this article for such projects.

35 (4) 'Department' means the Department of Community Affairs.

36 (5) 'Economic development conveyance' shall have the same meaning as provided in 32
37 C.F.R. Section 174.9(a).

38 (6) 'Local government' means, individually or in combination, the City of Milledgeville,
39 Baldwin County, or any development authority of either or both.

40 (7)(A) 'Project' includes:

41 (i) The land and any one or more buildings or structures located in or on the real
42 property formerly occupied by Central State Hospital and the real property adjacent
43 thereto to be used in education, parks and recreation, transportation, healthcare,
44 research, housing, commerce, or the production, manufacturing, processing,
45 assembling, storing, or handling of any agricultural, manufactured, mining, or
46 industrial products or any combination of the foregoing or similar uses, in every case
47 with all necessary or useful furnishings, machinery, equipment, parking facilities,
48 landscaping, and facilities for outdoor storage, all as determined by the authority,
49 which determination shall be final and not subject to review; and there may be
50 included as part of any such project all improvements necessary to the full utilization
51 thereof, including site preparation, roads and streets, sidewalks, water supply, outdoor
52 lighting, belt line railroad sidings and lead tracks, bridges, causeways, terminals for
53 railroad and automotive transportation, and transportation facilities incidental to the
54 project;

55 (ii) The acquisition, construction, leasing, or equipping of new industrial facilities or
56 the improvement, modification, acquisition, expansion, modernization, leasing,
57 equipping, or remodeling of existing industrial or governmental facilities located or
58 to be located in or on the property formerly occupied by Central State Hospital and
59 the properties adjacent thereto;

60 (iii) The acquisition, construction, improvement, or modification of any property, real
61 or personal, which any industrial concern might desire to use, acquire, or lease in
62 connection with the operation of any plant or facility located or to be located in or on
63 the property formerly occupied by Central State Hospital and the properties adjacent
64 thereto; and

65 (iv) The acquisition and development of land in or on the property formerly occupied
66 by Central State Hospital as the site for an educational facility, historic preservation
67 site, commercial enterprise, entertainment facility, park or recreational facility,

68 industrial park, transportation facility, healthcare facility, research facility, residential
69 project, or similar uses, provided that, as used in this division, the term 'development
70 of land' includes the provision of water, sewage, drainage, or similar facilities or
71 transportation, power, or communication facilities which are incidental to use of the
72 site as an educational facility, historic preservation site, commercial enterprise,
73 entertainment facility, park or recreational facility, industrial park, transportation
74 facility, healthcare facility, research facility, residential project, or similar use but,
75 except with respect to such facilities, does not include the provision of structures or
76 buildings.

77 (B) Such term excludes real property, personal property, and fixtures within the control
78 of the Department of Behavioral Health and Developmental Disabilities and not
79 declared surplus to its needs.

80 50-8-311.

81 (a)(1) The department is authorized to acquire, construct, operate, maintain, expand, and
82 improve a project for the purpose of promoting trade, commerce, industry, and
83 employment opportunities within this state for the public good and general welfare and,
84 without limitation of the foregoing, with the approval of the State Properties Commission,
85 to acquire land for such purposes.

86 (2) The department may pay the costs of the project from any lawful fund source
87 available for the purpose, including, without limitation, where applicable, funds received
88 by appropriation, proceeds of general obligation debt, funds of local government, grants
89 of the United States or any agency or instrumentality thereof, gifts, and otherwise.

90 (3) The department shall consider the impact of any project on the current operations of
91 Central State Hospital and consult the Department of Behavioral Health and
92 Developmental Disabilities as needed.

93 (4) The project shall be located in Baldwin County, Georgia, and shall be known as the
94 Central State Hospital Redevelopment Authority except that any facility included within
95 the project may be otherwise designated.

96 (b) A local government and the department are both authorized to contract with one
97 another whereby the local government may exercise on behalf of the department such
98 future responsibility in connection with the construction, operation, management, and
99 maintenance of the project as is now or may be vested in the department; and the
100 department is authorized by such contract to delegate to the local government
101 corresponding responsibilities and powers with respect to the project and to transfer to the
102 local government any and all contracts, plans, documents, or other papers of the department
103 relating to the project, as compensation to the local government under such contract. To
104 the extent provided by such contract with the department, the local government on behalf
105 of the department shall acquire, plan, construct, erect, repair, remodel, maintain, add to,
106 extend, improve, equip, operate, and manage the project.

107 (c) Without limiting the generality of any provision of this article, the general purpose of
108 the local government under this article is declared to be that of acquiring, constructing,
109 equipping, maintaining, and operating the project, in whole or in part, directly or under
110 contract with the department and engaging in such other activities as it deems appropriate
111 to promote the use of the project and the use of the industrial, agricultural, educational,
112 historical, cultural, recreational, commercial, and natural resources of the State of Georgia
113 by those using the project or visiting this state.

114 (d) The department shall have the authority with the approval of the State Properties
115 Commission to lease any improved or unimproved land or other property acquired by it
116 under this Code section to the local government for a term not to exceed 50 years but upon
117 such other terms and conditions as the department may determine necessary or convenient.
118 Any such lease may be for and in consideration of \$1.00 annually for each calendar year
119 or portion thereof paid in kind to and receipted for by the Office of the State Treasurer and

120 in further consideration that such property be held, constructed, operated, maintained,
121 expanded, or improved for the purposes for which the department was authorized to
122 acquire such property. It is determined that such consideration is good and valuable and
123 sufficient consideration for such lease and in the interest of the public welfare of the State
124 of Georgia and its citizens.

125 50-8-312.

126 (a) There is created a body corporate and politic to be known as the Central State Hospital
127 Redevelopment Authority, which shall be deemed to be a political subdivision of the State
128 of Georgia and a public corporation, and by that name, style, and title, said body may
129 contract and be contracted with, sue and be sued, implead and be impleaded, and bring and
130 defend actions in all courts. The authority shall have perpetual existence.

131 (b)(1) The authority shall consist of four members, to be appointed in the following
132 manner:

133 (A) One member shall be appointed by the Governor;

134 (B) One member shall be appointed by the President of the Senate;

135 (C) One member shall be appointed by the Speaker of the House of Representatives;
136 and

137 (D) One nonvoting member shall be appointed by the state property officer.

138 (2) Persons so appointed shall serve for initial terms of office which shall expire on
139 December 31 of the fourth year after their appointment. After the initial terms of office,
140 members of the authority shall serve for terms of office of four years each. Members of
141 the authority shall serve their respective terms of office specified in this subsection and
142 until their respective successors are appointed and qualified. Any member of the
143 authority may be appointed to succeed himself or herself. After such appointment, the
144 members of such authority shall enter upon their duties. Any vacancy on the authority
145 shall be filled in the same manner as was the original appointment of the member whose

146 term of office resulted in such vacancy. A person appointed to fill a vacancy shall serve
147 for the remainder of the unexpired term and until the appointment and qualification of a
148 successor. The members of the authority shall be reimbursed, upon submission of sworn
149 vouchers, for all actual expenses incurred in the performance of their duties out of funds
150 of the authority, with a maximum reimbursement of \$100.00 per meeting for no more
151 than three meetings per month. The authority shall make rules and regulations for its own
152 government.

153 (3) To be eligible for appointment as a member of the authority, a person shall be at
154 least 21 years of age and shall not have been convicted of a felony.

155 (4) The members of the authority shall elect from their number a chairperson, vice
156 chairperson, secretary, and treasurer. The secretary may also serve as treasurer. Each of
157 such officers shall serve for a period of two years and until their successors are duly
158 elected. The chairperson of the authority shall be entitled to vote upon any issue, motion,
159 or resolution.

160 (c) The authority may create subcommittees as it deems appropriate. The authority may
161 appoint as members of the subcommittees such individuals from the community as the
162 authority deems appropriate, and such members do not have to be members of the
163 authority. The subcommittees shall serve in an advisory capacity to the authority. The
164 chairperson of the authority shall choose from among the members of each subcommittee
165 a person to serve as chairperson of that subcommittee. The chairpersons of the
166 subcommittees shall serve four-year terms and shall be eligible for reappointment.

167 (d) A majority of the members of the authority shall constitute a quorum. No vacancy on
168 the authority shall impair the right of the quorum to exercise all of the rights and perform
169 all of the duties of the authority.

170 (e) A vacancy on the authority shall exist in the office of any member of the authority who
171 is convicted of a felony or who enters a plea of nolo contendere thereto; who is convicted
172 of a crime involving moral turpitude or who enters a plea of nolo contendere thereto; who

173 is convicted of any act of misfeasance, malfeasance, or nonfeasance of such person's duties
174 as a member of the authority; or who fails to attend three consecutive regular meetings of
175 the authority without an excuse approved by a resolution of the authority.

176 (f) All meetings of the authority, regular or special, shall be open to the public.

177 (g) No member or employee of the authority shall have, directly or indirectly, any financial
178 interest, profit, or benefit in any contract, work, or business of the authority nor in the sale,
179 lease, or purchase of any property to or from the authority.

180 50-8-313.

181 The general purpose of the authority is declared to be that of executing and administering
182 the reuse plan for the property formerly occupied by Central State Hospital; executing
183 economic development conveyances for such property formerly occupied by Central State
184 Hospital resulting from the closure or realignment of Central State Hospital so as to
185 ameliorate the impact of such closure or realignment on the communities and residents of
186 the City of Milledgeville and Baldwin County; extending and improving such projects;
187 acquiring the necessary property therefor, both real and personal, with the right to contract
188 for the use of or to lease or sell any or all of such facilities, including real property, to any
189 persons, firms, or corporations, whether public or private, if in the sole judgment of the
190 authority such use, lease, or sale supports the general purposes of the authority; and doing
191 all things deemed by the authority necessary, convenient, and desirable for and incident to
192 the efficient and proper development and operation of such type of undertakings.

193 50-8-314.

194 (a) The authority shall have the power:

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

196 (2) To acquire by purchase, lease, or otherwise, including acquisition of land from the
197 state government, and to hold, lease, and dispose of real and personal property of every

198 kind and character for its corporate purpose and to plan, acquire, establish, develop,
199 construct, enlarge, improve, maintain, equip, and lease all projects which shall come
200 under the control of the authority under the provisions of this article or which it may
201 acquire or plan to acquire; to regulate, protect, and police such projects and all related
202 activities and facilities; to enter into any contracts, leases, or other charges for the use of
203 property or services of the authority and collect and use the same as necessary to operate
204 the projects under control of the authority; and to accomplish any of the purposes of this
205 article and make any purchases or sales necessary for such purposes;

206 (3) To acquire in its own name by purchase, on such terms and conditions and in such
207 manner as it may deem proper, real property, or rights or easements therein, or franchises
208 necessary or convenient for its corporate purpose, and to use the same so long as its
209 corporate existence shall continue, and to lease or make contracts with respect to the use
210 of such property, or dispose of the same in any manner it deems to be to the best
211 advantage of the authority;

212 (4) To appoint, select, and employ officers, agents, and employees, including real estate,
213 environmental, engineering, architectural, and construction experts; fiscal agents; and
214 attorneys, and to fix their respective compensations;

215 (5) To make contracts and leases and to execute all instruments necessary or convenient,
216 including contracts for construction of projects and leases of projects or contracts with
217 respect to the use of projects which it causes to be constructed, erected, or acquired. Any
218 and all persons, firms, and corporations and any and all political subdivisions,
219 departments, institutions, or agencies of the state and federal government are authorized
220 to enter into contracts, leases, or agreements with the authority upon such terms and for
221 such purposes as they deem advisable; and, without limiting the generality of the
222 foregoing, authority is specifically granted to municipal corporations, counties, political
223 subdivisions, and the authority relative to entering into contracts, lease agreements, or
224 other undertakings authorized between the authority and private corporations, both inside

225 and outside this state, and between the authority and public bodies, including counties
226 and cities outside this state and the federal government;

227 (6) To construct, erect, acquire, own, repair, remodel, maintain, add to, extend, improve,
228 equip, operate, and manage projects, the cost of the project to be paid in whole or in part
229 from the proceeds of revenue bonds of the authority or from such proceeds and any grant
230 or contribution from the United States of America or any agency or instrumentality
231 thereof or from the State of Georgia or any agency or instrumentality thereof;

232 (7) To accept loans and grants of money or materials or property of any kind from the
233 United States of America or any agency or instrumentality thereof upon such terms and
234 conditions as the United States of America or such agency or instrumentality may
235 require;

236 (8) To accept loans and grants of money or materials or property of any kind from the
237 State of Georgia or any agency or instrumentality or political subdivision thereof upon
238 such terms and conditions as the State of Georgia or such agency or instrumentality or
239 political subdivision may require;

240 (9) To borrow money for any of its corporate purposes and to issue negotiable revenue
241 bonds payable solely from funds pledged for the purpose and to provide for the payment
242 of the same and for the rights of the holders thereof;

243 (10) To exercise any power usually possessed by private corporations performing similar
244 functions, including the power to make short-term loans and approve, execute, and
245 deliver appropriate evidence of such indebtedness, provided that no such power is in
246 conflict with the Constitution or general laws of this state;

247 (11) To encourage and facilitate job training and housing rehabilitation programs for
248 residents surrounding Central State Hospital; and

249 (12) To do all things necessary or convenient to carry out the powers expressly given in
250 this article.

251 (b) The authority shall be assigned for administrative purposes to the department as
252 provided for in Code Section 50-4-3.

253 (c) The Attorney General shall provide legal services for the authority in the same manner
254 provided for in Code Sections 45-15-13 through 45-15-16.

255 50-8-315.

256 The authority, or any authority or body which had or which may in the future succeed to
257 the powers, duties, and liabilities vested in the authority created by this article, is
258 authorized to provide by resolution for the issuance of negotiable revenue bonds of the
259 authority for the purpose of paying all or any part of the cost of the project of any one or
260 more projects. The authority shall comply with Article 3 of Chapter 82 of Title 36, the
261 'Revenue Bond Law,' when issuing bonds.

262 50-8-316.

263 (a) Each year the authority shall have made an independent audit and examination of the
264 authority's financial records and transactions. Such audit shall be made in accordance with
265 established national audit and accounting standards. Such audit shall be made on or before
266 the one hundred-eightieth day following the end of the authority's fiscal year. Copies of
267 such audit shall be available for public review and provided to the state auditor.

268 (b) Annual audit reports of the authority shall contain at least:

269 (1) Financial statements prepared in conformity with generally accepted national
270 accounting principles, setting forth the financial condition and results of operation of each
271 fund and activity of the authority; and

272 (2) The opinion of the performing auditor with respect to the financial statement in
273 addition to an explanation of any qualification or disclaimers contained in the opinion.
274 Such opinion shall also disclose, in accordance with generally accepted national auditing
275 standards, any apparent or material violation of state law discovered during the audit.

276 (c) The authority shall forward to the state auditor written comments on the findings and
277 recommendations in the report, including a plan for corrective action taken or planned and
278 comments on the status of the corrective action taken on prior findings.

279 (d) The state auditor shall review the audit report and written comments submitted to the
280 auditor's office to ensure that it conforms with generally accepted national auditing
281 principles. After review, the state auditor shall submit to the authority a list of deficiencies
282 to be corrected.

283 (e) Upon failure, refusal, or neglecting to have an annual audit made; a failure to file a
284 copy of the audit report with the state auditor; or a failure to correct auditing deficiencies
285 noted by the state auditor, the state auditor shall cause a prominent notice to be published
286 in the legal organ of Baldwin County and in any other newspapers of general circulation
287 within the City of Milledgeville. Such notice shall be a prominently displayed
288 advertisement or news article and shall not be placed in the section of the newspaper where
289 legal notices appear. Such notice shall be published twice and shall state that the authority
290 has failed, refused, or neglected, as the case may be, to have an annual audit made, to file
291 an audit report, or to correct auditing deficiencies, as the case may be, for the fiscal year
292 or years in question. The notice shall further state that such failure, refusal, or neglect is
293 a violation of law.

294 50-8-317.

295 It shall be the duty of the authority to prescribe rules and regulations for the operation of
296 the project or projects constructed or acquired under the provisions of this article.

297 50-8-318.

298 It is found, determined, and declared that the creation of the authority and the carrying out
299 of its corporate purpose is in all respects for the benefit of the people of this state; that the
300 authority is an institution of purely public charity and will be performing an essential

301 governmental function in the exercise of the power conferred upon it by this article; that
302 this state covenants with the holders of the bonds; that the authority shall not be required
303 to pay any taxes or assessments upon any of the property acquired or leased by it or under
304 its jurisdiction, control, possession, or supervision or upon its activities in the operation or
305 maintenance of the projects erected by it or any rates, fees, tolls, or other charges for the
306 use of such projects or other income received by the authority; and that the bonds of the
307 authority, their transfer, and the income therefrom shall at all times be exempt from
308 taxation within this state. The exemption from taxation provided for in this Code section
309 shall not extend to tenants or lessees of the authority and shall not include exemptions from
310 sales and use taxes on property purchased by the authority or for use by the authority.

311 50-8-319.

312 This article shall be regarded as supplemental and additional to powers conferred by other
313 laws, and shall not be regarded as in derogation of any powers now existing.

314 50-8-320.

315 Any action to protect or enforce any rights under this article shall be brought in the
316 Superior Court of Baldwin County.

317 50-8-321.

318 The property of the authority shall not be subject to levy and sale under legal process.

319 50-8-322.

320 All funds received by the authority pursuant to this article, whether as revenue, rents, fees,
321 charges, or other earnings or as grants, gifts, or other contributions, shall be deemed to be
322 trust funds held and applied by the authority solely as provided in this article.

323 50-8-323.

324 This article shall be liberally construed to effect the purposes of this article.

325 50-8-324.

326 (a) Should the authority for any reason be dissolved, title to all property of any kind and
327 nature, real and personal, held by the authority at the time of such dissolution shall be
328 conveyed to the State of Georgia; or title to any such property may be conveyed prior to
329 such dissolution in accordance with provisions which may be made therefor in any
330 resolution or trust instrument relating to such property, subject to any liens, leases, or other
331 encumbrances outstanding against or in respect to such property at the time of such
332 conveyance.

333 (b) All powers, duties, assets, real and personal property, liabilities, and indebtedness of
334 the Central State Hospital Local Redevelopment Authority created by an Act to create the
335 Central State Hospital Local Redevelopment Authority, approved February 29, 2012 (Ga.
336 L. 2012, p. 3837), as amended, are transferred to the authority. The authority shall be the
337 successor to the Central State Hospital Local Redevelopment Authority in all contracts
338 entered into by the Central State Hospital Local Redevelopment Authority which are in
339 existence on the effective date of this Act and to all accounts of and debts owed to the
340 Central State Hospital Local Redevelopment Authority that are outstanding on the effective
341 date of this Act."

342 **SECTION 2.**

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

345 **SECTION 3.**

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