

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:

S. B. 260 (SUB)

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 six members, to be appointed in the following  
132 manner:

133 (A) Three members shall be appointed by the Governor. Two of the members  
134 appointed by the Governor shall reside in Baldwin County;

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

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

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

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

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

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

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

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

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

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

173 of a crime involving moral turpitude or who enters a plea of nolo contendere thereto; who  
174 is convicted of any act of misfeasance, malfeasance, or nonfeasance of such person's duties  
175 as a member of the authority; or who fails to attend three consecutive regular meetings of  
176 the authority without an excuse approved by a resolution of the authority.

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

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

181 50-8-313.

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

194 50-8-314.

195 (a) The authority shall have the power:

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

197 (2) To acquire by purchase, lease, or otherwise, including acquisition of land from the  
198 state government, and to hold, lease, and dispose of real and personal property of every  
199 kind and character for its corporate purpose and to plan, acquire, establish, develop,  
200 construct, enlarge, improve, maintain, equip, and lease all projects which shall come  
201 under the control of the authority under the provisions of this article or which it may  
202 acquire or plan to acquire; to regulate, protect, and police such projects and all related  
203 activities and facilities; to enter into any contracts, leases, or other charges for the use of  
204 property or services of the authority and collect and use the same as necessary to operate  
205 the projects under control of the authority; and to accomplish any of the purposes of this  
206 article and make any purchases or sales necessary for such purposes;

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

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

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

224 subdivisions, and the authority relative to entering into contracts, lease agreements, or  
225 other undertakings authorized between the authority and private corporations, both inside  
226 and outside this state, and between the authority and public bodies, including counties  
227 and cities outside this state and the federal government;

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

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

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

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

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

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

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

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

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

256 50-8-315.

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

263 50-8-316.

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

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

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

273 (2) The opinion of the performing auditor with respect to the financial statement in  
274 addition to an explanation of any qualification or disclaimers contained in the opinion.

275 Such opinion shall also disclose, in accordance with generally accepted national auditing  
276 standards, any apparent or material violation of state law discovered during the audit.

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

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

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

295 50-8-317.

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

298 50-8-318.

299 It is found, determined, and declared that the creation of the authority and the carrying out  
300 of its corporate purpose is in all respects for the benefit of the people of this state; that the  
301 authority is an institution of purely public charity and will be performing an essential  
302 governmental function in the exercise of the power conferred upon it by this article; that  
303 this state covenants with the holders of the bonds; that the authority shall not be required  
304 to pay any taxes or assessments upon any of the property acquired or leased by it or under  
305 its jurisdiction, control, possession, or supervision or upon its activities in the operation or  
306 maintenance of the projects erected by it or any rates, fees, tolls, or other charges for the  
307 use of such projects or other income received by the authority; and that the bonds of the  
308 authority, their transfer, and the income therefrom shall at all times be exempt from  
309 taxation within this state. The exemption from taxation provided for in this Code section  
310 shall not extend to tenants or lessees of the authority and shall not include exemptions from  
311 sales and use taxes on property purchased by the authority or for use by the authority.

312 50-8-319.

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

315 50-8-320.

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

318 50-8-321.

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

320 50-8-322.

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

324 50-8-323.

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

326 50-8-324.

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

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

343 **SECTION 2.**

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

346 **SECTION 3.**

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