

House Bill 1448

By: Representatives Anderson of the 10th, Yearta of the 152nd, Leverett of the 123rd, Dempsey of the 13th, Richardson of the 125th, and others

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 comprehensive regulation of local government assets financing; to
3 provide for a short title; to provide for legislative purpose; to provide for definitions; to
4 create the Georgia Local Government Finance Authority; to provide for members,
5 qualifications, officers, meetings, and procedures; to provide for powers, duties, and
6 authority of the authority; to provide for procedures, conditions, and limitations; to provide
7 for certain bonds, notes, certificates, bond anticipation notes, and other evidences of
8 indebtedness; to provide for nonapplicability of certain general laws; to provide for certain
9 tax-exempt status of the authority, the authority's property, and the authority's activities; to
10 provide for cumulative effect of the foregoing; to provide for liberal construction of the
11 foregoing; to provide for related matters; to repeal conflicting laws; and for other purposes.

12 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

13 **SECTION 1.**

14 Title 36 of the Official Code of Georgia Annotated, relating to local government, is amended
15 by adding a new chapter to read as follows:

H. B. 1448

16 "CHAPTER 93

17 36-93-1.

18 This chapter shall be known and may be cited as the 'Georgia Local Government Finance
19 Authority Act.'

20 36-93-2.

21 The purpose of this chapter shall be to provide a mechanism through which local
22 governments may finance assets at lower than prevailing costs and to make this mechanism
23 available to the largest number of local governments feasible.

24 36-93-3.

25 As used in this chapter, the term:

26 (1) 'Assets' means any capital asset, fixture, or personal property, which shall include,
27 but not be limited to, public safety vehicles and equipment and school vehicles and
28 equipment, that is determined by the authority to be necessary or desirable for the
29 efficient operation of any participating local government, regardless of whether such
30 property is in existence at the time of, or is to be provided after the making of, such
31 finding.

32 (2) 'Authority' means the Georgia Local Government Finance Authority created by this
33 chapter and any successor or successors thereto. Any change in name or composition of
34 the authority shall in no way affect the vested rights of any person under this chapter.

35 (3) 'Bond' or 'bonds' means revenue bonds, notes, interim certificates, bond anticipation
36 notes, and other evidences of indebtedness of the authority issued under this chapter.

37 (4) 'Cost' as applied to assets financed under this chapter includes:

38 (A) The cost and the incidental and related costs of the acquisition, construction, repair,
39 restoration, reconditioning, refinancing, or installation of assets;

- 40 (B) The cost of any property interest in any assets, including an option to purchase a
41 leasehold interest;
- 42 (C) The cost of architectural, engineering, legal, trustee, underwriting, and related
43 services; the cost of the preparation of plans, specifications, studies, surveys, and
44 estimates of cost; and all other expenses necessary or incident to planning, providing,
45 or determining the need for or the feasibility and practicability of any assets;
- 46 (D) The cost of financing charges, including premiums or prepayment penalties and
47 interest, accrued before the acquisition and installation or refinancing of such assets and
48 for up to three years after such acquisition and installation or refinancing;
- 49 (E) The costs paid or incurred in connection with the financing of assets, including
50 out-of-pocket expenses; of any policy of insurance or other credit enhancement; of
51 printing, engraving, and reproduction services; and the cost of the initial or acceptance
52 fee of any trustee or paying agent;
- 53 (F) The costs of the authority incurred in connection with providing assets, including
54 reasonable sums to reimburse the authority for time spent by its agents or employees
55 in providing and financing assets; and
- 56 (G) The costs paid or incurred for the administration of any program for the financing
57 or refinancing of assets by the authority and any program for the installment sale or
58 lease of assets to any participating local government.
- 59 (5) 'Participating local government' means a county, municipality, consolidated
60 government, school district, authority, special district, or other political subdivision of
61 this state that contracts under this chapter with the authority for the purchase, lease, or
62 financing of assets.
- 63 (6) 'Revenue bonds' means revenue bonds issued by the authority pursuant to the terms
64 of Article 3 of Chapter 82 of this title, the 'Revenue Bond Law.'

65 36-93-4.

66 (a) There is created a public body corporate and politic to be known as the Georgia Local
67 Government Finance Authority and by that name, style, and title such body may contract
68 and be contracted with, bring and defend actions and implead and be impleaded, and
69 complain and defend in all courts of law and equity. Such authority, however, shall not be
70 a state institution nor a department or agency of the state but shall be an instrumentality of
71 purely public charity performing an essential governmental function, being a distinct
72 corporate entity. The authority shall be separate and distinct from any public corporation
73 or other entity heretofore created by the General Assembly. The authority shall be exempt
74 from the provisions of Article 2 of Chapter 17 of Title 50 and Code Sections 45-15-13
75 through 45-15-16.

76 (b) The authority shall be governed by five members appointed as follows:

77 (1) The Governor shall appoint three members and shall designate two of the initial
78 members appointed to a two-year term of office;

79 (2) The President of the Senate shall appoint one member; and

80 (3) The Speaker of the House of Representatives shall appoint one member;

81 Each member of the authority shall be an elected member of a governing authority of a
82 county or municipal corporation of this state. In the event that a member ceases to be an
83 elected member of a governing authority of a county or municipal corporation, such
84 member's seat on the authority shall be declared vacant and the relevant appointing
85 authority shall appoint a qualified member to serve out the remainder of the unexpired term
86 of office.

87 (c) The members shall elect a chairperson, a vice chairperson, and other officers. The
88 members shall not be compensated for their services, but they shall be reimbursed for their
89 actual and necessary expenses as determined by the authority. A majority of the members
90 of the authority shall constitute a quorum for the transaction of business. The vote of a
91 majority of the members present at any meeting at which a quorum is present is necessary

92 for any action to be taken by the authority. No vacancy in the membership of the authority
93 shall impair the right of a quorum to exercise all rights and perform all duties of the
94 authority.

95 (d) The authority may adopt and amend bylaws governing the procedures and internal
96 operations of the authority.

97 (e) Meetings of the members of the authority shall be held at the call of the chairperson or
98 whenever any three members so request. The members shall meet at least once each year.
99 The authority shall be authorized to conduct meetings by teleconference.

100 (f) The authority shall be authorized to contract with the Georgia Municipal Association
101 or its successors, or another Georgia nonprofit corporation whose income is exempt from
102 federal income tax pursuant to Section 115 of the Internal Revenue Code of 1986
103 representing at least 300 municipalities of this state, to provide administrative staff and
104 clerical services and to assist in the management of the routine affairs of the authority,
105 including the originating and processing of any applications from participating local
106 governments for assets financing through the authority and the servicing of contracts
107 between the authority and the participating local governments. If such a contract is entered
108 into, the administrative staff may include an executive director who may serve as the ex
109 officio secretary of the authority. The executive director may be an employee of the
110 Georgia Municipal Association or its successors or another Georgia nonprofit corporation
111 whose income is exempt from federal income tax pursuant to Section 115 of the Internal
112 Revenue Code of 1986 representing at least 300 of the municipalities of this state.

113 (g) The executive director shall attend the meetings of the members of the authority, shall
114 keep a record of the proceedings of the authority, and shall maintain all books, documents,
115 and papers filed with the authority, the minutes of the authority, and its official seal. He
116 or she may cause copies to be made of all minutes and other records and documents of the
117 authority and may give certificates under seal of the authority to the effect that such copies
118 are true copies, and all persons dealing with the authority may rely upon such certificates.

119 If the executive director is unable to attend a meeting of the members of the authority, the
120 members of the authority shall designate a member of the authority or an employee of the
121 organization referred to in subsection (f) of this Code section as the person responsible for
122 carrying out the duties of the executive director set out in this Code section.

123 36-93-5.

124 The authority is granted all powers necessary to carry out and effectuate its public and
125 corporate purposes, including but not limited to the following:

126 (1) To have perpetual succession as a public body corporate and politic and an
127 independent public instrumentality exercising essential public functions;

128 (2) To adopt, amend, and repeal bylaws and rules consistent with this chapter to regulate
129 its affairs, to carry into effect its powers and purposes, and to conduct its business;

130 (3) To sue and be sued in its own name, bring and defend actions, implead and be
131 impleaded, and complain and defend in all courts of law and equity;

132 (4) To have an official seal;

133 (5) To maintain an office in the State of Georgia;

134 (6) To make and execute contracts and all other instruments necessary or convenient for
135 the performance of its duties and the exercise of its powers and functions under this
136 chapter;

137 (7) To employ architects, engineers, independent legal counsel, inspectors, accountants,
138 and financial experts and such other advisers, consultants, and agents as may be
139 necessary in its judgment without the approval or consent of any other public official and
140 to fix their compensation;

141 (8) To procure insurance against any loss in connection with its property and other assets
142 in such amounts and from such insurers as it considers advisable and to pay premiums
143 on any such insurance;

- 144 (9) To procure insurance, guarantees, or other credit enhancement from any public or
145 private entities, including any department, agency, or instrumentality of the United States,
146 to secure payment:
- 147 (A) On a lease, purchase, or financing payment owed by a participating local
148 government to the authority; or
- 149 (B) Of any bonds issued by the authority and to pay premiums on any such insurance,
150 guarantee, or other credit enhancement;
- 151 (10) To procure letters of credit or other credit or liquidity facilities or agreements from
152 any national or state banking association or other entity authorized to issue a letter of
153 credit or other credit or liquidity facilities or agreements to secure the payment of any
154 bonds issued by the authority or to secure the payment of any lease, purchase, or
155 financing payment owed by a participating local government to the authority;
- 156 (11) To pay the cost of obtaining such letters of credit or other credit or liquidity
157 facilities or agreements;
- 158 (12) To receive and accept from any source any money, property, or thing of value to be
159 held, used, and applied to carry out the purposes of this chapter, subject to the conditions
160 upon which the grants or contributions are made, including gifts, loans, or grants from
161 any department, agency, political subdivision, authority, or instrumentality of the United
162 States, the State of Georgia, or any other state, or of any political subdivision, of the
163 foregoing;
- 164 (13) To provide, or cause to be provided by a participating local government, by
165 acquisition, construction, operation, lease, fabrication, repair, restoration, reconditioning,
166 refinancing, or installation, assets to be located within the State of Georgia;
- 167 (14) To lease as lessor any assets for such rentals and upon such terms and conditions
168 as the authority considers advisable and which are not in conflict with this chapter;

- 169 (15) To sell by installment or otherwise, to sell by option or contract for sale, and to
170 convey all or any part of any assets for such price and upon such terms and conditions as
171 the authority considers advisable and which are not in conflict with this chapter;
- 172 (16) To make contracts and incur liabilities, borrow money at such rates of interest as the
173 authority determines, issue its bonds in accordance with this chapter, and secure any of
174 its bonds or obligations by an assignment or pledge of all or any part of its property,
175 contract rights, and income or as otherwise provided in this chapter;
- 176 (17) To purchase, receive, lease as lessee or lessor, or otherwise acquire, own, hold,
177 improve, use, or otherwise deal in and with assets, or any interest therein, wherever
178 situated;
- 179 (18) To sell, convey, hypothecate, pledge, assign, lease, exchange, transfer, and
180 otherwise dispose of all or any part of its property and assets;
- 181 (19) To charge to and apportion among participating local governments its administrative
182 costs and expenses incurred in the exercise of the powers and duties conferred by this
183 chapter;
- 184 (20) To collect fees and charges, as the authority determines to be reasonable, in
185 connection with its leases, sales, financing, advances, insurance, commitments, and
186 servicing;
- 187 (21) To cooperate with and exchange services, personnel, and information with any
188 federal, state, or local governmental agency;
- 189 (22) To sell or assign its rights under its leases, purchase contracts, or other contracts or
190 its right to receive payments thereunder, either directly or through trust or custodial
191 arrangements, whereby interests are created in such leases, purchase contracts, or other
192 contracts, or the payments to be received thereunder through the issuance of trust
193 certificates, certificates of participation, custodial receipts, or other similar instruments;
- 194 (23) To exercise any power granted by the laws of this state to public or private
195 corporations which is not in conflict with the public purpose of the authority;

196 (24) To exercise the powers conferred upon a public corporation or a public authority by
197 Article IX, Section III, Paragraph I of the Constitution of Georgia, such authority being
198 expressly declared to be a public corporation or a public authority within the meaning of
199 such provisions of the Constitution of the State of Georgia;

200 (25) To do all things necessary or convenient to carry out the powers conferred by this
201 chapter;

202 (26) To hold funds in deposit accounts with banking institutions as otherwise authorized
203 by law; and

204 (27) Subject to any agreement with bondholders, to invest moneys of the authority not
205 required for immediate use to carry out the purposes of this chapter, including the
206 proceeds from the sale of any bonds and any moneys held in reserve funds, in
207 investments authorized pursuant to Code Section 36-82-7.

208 36-93-6.

209 (a) The authority may initiate one or more programs of providing assets to be purchased
210 or leased by participating local governments. In furtherance of this objective, the authority
211 may also:

212 (1) Establish eligibility standards for participating local governments, provided that such
213 standards shall encourage maximum feasible participation by participating local
214 governments;

215 (2) Contract with any entity securing or enhancing the payment of bonds, authorizing the
216 entity to approve the participating local governments that can lease or purchase assets
217 financed with proceeds of bonds secured or enhanced by that entity;

218 (3) Lease assets to a participating local government upon terms and conditions that the
219 authority considers proper, charge and collect rents therefor, and include in any such
220 lease provisions that the lessee has the option to purchase any or all of the assets to which
221 the lease applies;

222 (4) Sell assets to a participating local government under any lease, purchase, or other
223 legal contract upon such terms and conditions as the authority considers proper;

224 (5) Sell or otherwise dispose of any unneeded or obsolete assets under terms and
225 conditions as determined by the authority;

226 (6) Maintain, repair, replace, and otherwise improve or cause to be maintained, repaired,
227 replaced, and otherwise improved any assets owned by the authority;

228 (7) Obtain or aid in obtaining property insurance, in establishing self-insurance, or in
229 participating in an interlocal risk management agency under Chapter 85 of this title,
230 covering all assets owned or financed or accept payment if any asset is damaged or
231 destroyed; and

232 (8) Enter into any agreement, contract, or other instrument for any insurance, guarantee,
233 or letter of credit accepting payment in such manner and form as provided therein if a
234 participating local government defaults and assign any such insurance, guarantee, or letter
235 of credit as security for bonds issued by the authority.

236 (b) Before exercising any of the powers conferred by subsection (a) of this Code section,
237 the authority may:

238 (1) Require that the lease, purchase, or other contract involved be insured by a financial
239 guaranty insurer, be credit enhanced by a credit enhancer, or be secured by a letter of
240 credit; or

241 (2) Require any other type of security from a participating local government that it
242 considers reasonable and necessary.

243 36-93-7.

244 (a) The authority may issue, sell, and deliver its bonds, in accordance with this chapter, for
245 the purpose of paying for all or any part of the cost of assets, to finance the acquisition of
246 assets for lease or sale to participating local governments, and for any other purpose
247 authorized by this chapter.

248 (b) The bonds may be issued as serial bonds or as term bonds or a combination of each in
249 one or more series and shall bear such date or dates, mature at such time or times not
250 exceeding 30 years from their respective dates of issue, bear interest at such fixed or
251 variable rates without regard to any limitations contained in any other statute or laws of this
252 state, bear interest at different rates, and mature at different dates within a series, bear
253 interest at one or more variable or fixed rates within a series, and may be converted from
254 such variable rate or rates to a fixed rate or rates, or may be converted from such fixed rate
255 or rates to a variable rate or rates from time to time, be payable at such time or times, be
256 in such denominations, be in such form, either coupon or fully registered, carry such
257 registration and conversion privileges, have such rank or priority, be payable in lawful
258 money of the United States at such places within or outside this state, and be subject to
259 such terms of redemption and tender for purchase as such bond resolution may provide.
260 (c) All revenue bonds issued by the authority shall be subject to validation in accordance
261 with Article 3 of Chapter 82 of this title, the 'Revenue Bond Law.' Notes and other types
262 of obligations of the authority shall not be required to be so validated. All proceedings to
263 validate revenue bonds of the authority shall be held in the Superior Court of Fulton
264 County, and judgments of validation obtained in the manner set forth in such chapter shall
265 be forever conclusive upon the validity of such bonds and the security for such bonds as
266 therein provided. The petition and complaint for validation may also make party defendant
267 to such action any participating local government that has contracted with the authority in
268 connection with the issuance of the revenue bonds or regarding the manner in which such
269 bonds are to be secured; and such participating local government may be required to show
270 cause, if any exists, why such contract and the terms and conditions thereof should not be
271 inquired into by the court, the validity of the terms thereof determined, and the contract
272 adjudicated as a binding obligation of the participating local government for the security
273 of any such bonds of the authority. The revenue bonds when validated and the judgment
274 of validation shall be final and conclusive with respect to such bonds against the authority,

275 any parties to the validation proceedings, or any persons who might properly have become
276 parties to such proceedings. The certificate of validation, however, may be signed with the
277 facsimile or manually executed official signature of the clerk or deputy clerk of the
278 Superior Court of Fulton County.

279 (d) The authority may sell its bonds in such manner and for such price, at public or private
280 sale, as it may determine to be in the best interest of the authority. Prior to the preparation
281 of definitive bonds, the authority may issue interim certificates or receipts or temporary
282 bonds for definitive bonds upon issuance of the latter. The authority may also provide for
283 the replacement of any bonds that shall become mutilated or be stolen, destroyed, or lost.

284 (e) The bonds shall be signed by the chairperson of the authority or such other person
285 designated by the authority, and the corporate seal of the authority shall be thereunto
286 impressed, imprinted, or otherwise reproduced and attested by the signature of the secretary
287 of the authority or such other person designated by the authority. The coupons, if any, shall
288 be signed in such manner as may be directed by the authority. The signatures of the
289 officers of the authority and the seal of the authority upon any bond issued by the authority
290 may be by facsimile if the instrument is manually authenticated or countersigned by a
291 trustee other than the authority itself or an officer or employee of the authority. All bonds
292 issued under the authority of this chapter bearing signatures or facsimiles of the signatures
293 of officers of the authority in office on the date of the signing thereof shall be valid and
294 binding, notwithstanding that before the delivery thereof and payment therefor such
295 officers whose signatures appear thereon shall have ceased to be officers of the authority.

296 (f) The authority may provide for the issuance of bonds of the authority for the purpose
297 of refunding any bonds of the authority then outstanding, including the payment of any
298 redemption premium thereon and any interest accrued or to accrue to the earliest or any
299 subsequent date of redemption, purchase, or maturity of such bonds, and, if considered
300 advisable by the authority, for the additional purpose of paying all or any part of the cost
301 of assets.

302 (g) The proceeds of any bonds issued for the purpose of refunding outstanding bonds may,
303 in the discretion of the authority, be applied to the purchase or retirement at maturity or
304 redemption of such outstanding bonds either on their earliest or any subsequent redemption
305 date or upon the purchase or at the maturity thereof and may, pending such application, be
306 placed in escrow to be applied to such purchase or retirement at maturity or redemption on
307 such date as may be determined by the authority. Subject to the provisions of any trust
308 indenture to the contrary, any such escrowed proceeds, pending such use, may be invested
309 and reinvested in accordance with Code Section 36-82-7 in order to assure the prompt
310 payment of the principal and interest and redemption premium, if any, on the outstanding
311 bonds to be so refunded. The interest, income, and profits, if any, earned or realized on any
312 such investment may also be applied to the payment of the outstanding bonds to be so
313 refunded. Only after the terms of the escrow have been fully satisfied and carried out shall
314 any balance of such proceeds and interest, income, and profits, if any, earned or realized
315 on the investments thereof be returned to the authority or the participating local
316 governments for use by them in any lawful manner.

317 (h) The proceeds of the bonds, other than refunding bonds, of each series shall be used for
318 the payment of all or part of the cost of the assets for which such bonds have been
319 authorized and, at the option of the authority, for the deposit to a reserve fund or reserve
320 funds for the bonds; however, the authority may be paid, out of proceeds of the sale and
321 delivery of its bonds issued in accordance with this chapter, all of the authority's
322 out-of-pocket expenses and costs in connection with the issuance, sale, and delivery of such
323 bonds and the costs of obtaining insurance, guarantees, other credit enhancement, and
324 letters of credit securing payment of the bonds and the lease and the purchase payments,
325 plus an amount equal to the compensation paid to any employees or agents of the authority
326 for the time those employees or agents have spent on activities relating to the issuance,
327 sale, and delivery of the bonds. Bond proceeds shall be disbursed in the manner and under
328 the restrictions determined by the authority.

329 36-93-8.

330 (a) The bonds may be secured by a trust indenture by and between the authority and a
331 corporate trustee, which may be any bank having the power of a trust company, or any trust
332 company. The trust indenture may contain such provisions for protecting and enforcing
333 the rights and remedies of the holders of the bonds as may be reasonable and proper and
334 not in violation of law, including covenants setting forth the duties of the authority in
335 relation to the exercise of its powers and the custody, investing, safekeeping, and
336 application of all money. The authority may provide by the trust indenture for the payment
337 of the proceeds of the bonds and any lease, purchase, or other contractual payments to the
338 trustee under the trust indenture or other depository and for the method of disbursement
339 thereof with such safeguards and restrictions as the authority may determine. All expenses
340 incurred in carrying out the trust indenture may be treated as a part of the operating
341 expenses of the authority.

342 (b) Every series of bonds is payable solely out of revenues, assets, or money of the
343 authority as the authority determines, subject only to any agreements with the holders of
344 particular bonds pledging any particular money or revenue. The bonds may be additionally
345 secured by a pledge of any grant, contribution, or guarantee from the federal government
346 or any corporation, association, institution, or person or a pledge of any money, income,
347 or revenue of the authority from any source.

348 (c)(1) Any bond resolution or related trust indenture may contain the following
349 provisions, which must be a part of the contract with the holders of the bonds to be
350 authorized:

351 (A) Pledging or assigning the lease or installment purchase payments made for the
352 assets or pledging or assigning the contract rights under the leases or installment
353 purchase contracts with the participating local governments whose assets have been
354 financed with the proceeds of such bonds or other specified revenues or property of the
355 authority;

- 356 (B) The rentals, installment purchase payments, fees, and other amounts to be charged
357 by the authority, the schedule of payments, the sums to be raised in each year thereby,
358 and the use, investment, and disposition of such sums;
- 359 (C) Setting aside any reserves or sinking funds and the regulation, investment, and
360 disposition thereof;
- 361 (D) Limitation on the use of the assets;
- 362 (E) Limitations on the purpose for which or the investments in which the proceeds of
363 sale of any series of bonds then or thereafter may be applied;
- 364 (F) Limitations on the issuance of additional bonds, terms upon which additional bonds
365 may be issued and secured, and the terms upon which additional bonds may rank on a
366 parity with, or be subordinate or superior to, other bonds;
- 367 (G) The refunding of outstanding bonds;
- 368 (H) The procedure, if any, by which the terms of any contract with holders of the bonds
369 may be amended or abrogated, the amounts of bonds the holders of which must consent
370 thereto, the manner in which such consent may be given, and restrictions on the
371 individual rights of action by holders of the bonds;
- 372 (I) Acts or omissions that constitute a default in the duties of the authority to holders
373 of its bonds and providing the rights and remedies of such holders in the event of
374 default; and
- 375 (J) Any other matters relating to the bonds that the authority considers desirable.
- 376 (2) Bonds of the authority may also be secured by and payable from a pooling of leases
377 or of installment purchase contracts whereby the authority may assign its rights, as lessor,
378 and pledge rents under two or more leases of assets with two or more participating local
379 governments, as lessees, or assign its rights as seller and pledge the installment purchase
380 payments under two or more installment purchase contracts of assets with two or more
381 participating local governments, as purchasers, upon such terms as may be provided for

382 in bond resolutions, trust indentures, or other instruments under which such bonds are
383 issued.

384 36-93-9.

385 (a) Neither the members of the authority nor any person executing bonds on behalf of the
386 authority shall be personally liable thereon by reason of the issuance thereof.

387 (b) The authority shall have the same immunity and exemption from liability as this state,
388 and the members, agents, and employees of the authority when in the performance of work
389 of the authority shall have the same immunity and exemption from liability as officers,
390 agents, and employees of this state.

391 (c) The offer, sale, or issuance of bonds by the authority shall not be subject to regulation
392 under Chapter 5 of Title 10, the 'Georgia Uniform Securities Act of 2008.' No notice,
393 proceeding, or publication except those required in this chapter shall be necessary to the
394 performance of any act authorized in this chapter; nor shall any such act be subject to
395 referendum.

396 (d) No lease, purchase, or other contract between the authority and any participating local
397 government shall be deemed to be a contract subject to any law requiring that a lease,
398 purchase, or other contract shall be let or entered into only after auction or receipt of
399 competitive bids or proposals.

400 36-93-10.

401 Bonds issued under this chapter shall not be deemed to constitute a debt or pledge of the
402 faith and credit of this state, any political subdivision or municipal corporation thereof, or
403 any participating local government within the meaning of any provision of the Constitution
404 or laws of this state. Bonds issued by the authority shall not directly, indirectly, or
405 contingently obligate this state or any of its political subdivisions or municipal corporations
406 or any participating local governments to levy or to pledge any form of taxation whatever

407 therefor or to make any appropriation for the payment thereof; and all such bonds or other
408 obligations of the authority shall contain recitals on their face covering substantially the
409 foregoing provisions of this Code section.

410 36-93-11.

411 The creation of the authority and the carrying out of its corporate purposes is in all respects
412 for the benefit of the people of this state and is a public purpose, and the authority will be
413 performing an essential governmental function in the exercise of the power conferred upon
414 it by this chapter; the state covenants with the holders of the bonds and any interest
415 coupons appertaining thereto that the authority shall be required to pay no taxes or
416 assessments imposed by the state or any of its counties, municipal corporations, political
417 subdivisions, or taxing districts upon any of the property acquired or leased or sold by it
418 or under its jurisdiction, control, possession, or supervision or upon its activities in the
419 operation or maintenance of the assets acquired by it or upon any fees, rentals, charges, or
420 purchase price, received in installments or otherwise, pertaining to such assets or upon
421 other income received by the authority; that the bonds of the authority, their transfer, and
422 the interest and income therefrom shall at all times be exempt from taxation within this
423 state; and that the recording of any indenture or security agreement by the authority shall
424 be exempt from recording taxes and fees and from intangible tax. The tax exemption
425 provided in this Code section shall not include any exemption from sales and use tax on
426 property purchased by the authority or for use by the authority, except that the authority
427 shall be entitled to such exemption with respect to property as is available to the
428 participating local government unit pursuant to Article 1 of Chapter 8 of Title 48.

429 36-93-12.

430 While any of the bonds issued by the authority remain outstanding, the powers, duties, or
431 existence of the authority or of any of its officers shall not be diminished or impaired in any

432 manner that will affect adversely the interest and right of the holders of such bonds. This
433 chapter shall be for the benefit of the holders of any such bonds and, upon the issuance of
434 the bonds as provided in this chapter, such provisions shall constitute a contract with the
435 holders of such bonds. The provisions of any bond resolution, indenture, or trust
436 agreement shall be a contract with every holder of such bonds, and the duties of the
437 authority under any such bond resolution, indenture, or trust agreement shall be enforceable
438 by any bondholder by mandamus or other appropriate action or proceeding at law or in
439 equity.

440 36-93-13.

441 All moneys received by the authority pursuant to this chapter, whether as grants or other
442 contributions or as revenues, rents, installment purchase payments, and earnings, shall be
443 held in trust and applied solely as provided for in this chapter.

444 36-93-14.

445 The authority may hold title to any assets leased, purchased, sold, or financed by it but shall
446 not be required to do so.

447 36-93-15.

448 The authority's legal situs or residence for the purpose of this chapter shall be Fulton
449 County. Any action to protect or enforce any rights under this chapter, including the
450 validation of revenue bonds issued by the authority as permitted in this chapter, shall be
451 brought in the Superior Court of Fulton County, and such court shall have exclusive
452 original jurisdiction of all such actions.

453 36-93-16.

454 Nothing in this chapter may be construed as a restriction or limitation upon any powers that
455 the authority might otherwise have under any other law of this state, and this chapter is
456 cumulative to such powers. This chapter shall be construed to provide a complete,
457 additional, and alternative mechanism for the doing of the things authorized and shall be
458 construed as supplemental to powers conferred by any other laws. The adoption by the
459 authority of bylaws and rules and the issuance of bonds by the authority under this chapter
460 need not comply with the requirements of any other state laws applicable to the adoption
461 of bylaws and rules and the issuance of bonds, notes, and other obligations. No
462 proceedings, notice, or approval is required for the issuance of any bonds or any instrument
463 or the security therefor or for the proper conduct of the authority's business, affairs, or
464 operations, except as provided in this chapter.

465 36-93-17.

466 This chapter, being for the welfare of this state and its inhabitants, shall be liberally
467 construed to effect its purposes."

468 **SECTION 2.**

469 Said title is further amended in Code Section 36-82-250, relating to definitions relative to
470 interest rate management agreements, by revising paragraph (6) as follows:

471 "(6) 'Local governmental entity' means:

472 (A) Any any governmental body as defined in paragraph (2) of Code Section 36-82-61,
473 as amended; provided, however, that such term shall only include authorities which are
474 local public authorities included in the definition thereof set forth in subparagraphs (C)
475 and (D) of paragraph (2) of Code Section 36-82-61, as amended; and

476 (B) The Georgia Local Government Finance Authority created by Chapter 93 of this
477 Title."

478

SECTION 3.

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