

Senate Bill 624

By: Senator Anavitarte of the 31st

AS PASSED

A BILL TO BE ENTITLED
AN ACT

1 To create the City of Cedartown Public Facilities Authority; to provide for the appointment
2 of members of the authority; to provide for a short title; to confer powers upon the authority;
3 to provide for purpose and scope of operations of the authority; to provide for definitions;
4 to authorize the issuance of revenue bonds of the authority; to fix and provide the venue and
5 jurisdiction of actions relating to any provisions of this Act; to provide for moneys received
6 and trust funds; to provide for tort immunity; to provide for tax exemption, rates, charges,
7 and revenues; to provide for effect on other governments; to provide for construction of this
8 Act and severability; to provide for related matters; to repeal conflicting laws; and for other
9 purposes

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 **SECTION 1.**

12 Short title.

13 This Act shall be known and may be cited as the "City of Cedartown Public Facilities
14 Authority Act."

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SECTION 2.

City of Cedartown Public Facilities Authority.

17 (a) There is hereby created a public body corporate and politic to be known as the "City of
18 Cedartown Public Facilities Authority," which shall be deemed to be a political subdivision
19 of the state and a public corporation, and by that name, style, and title said body may contract
20 and be contracted with, sue and be sued, implead and be impleaded, and complain and defend
21 in all courts of law and equity. The authority shall have perpetual existence.

22 (b) The authority shall consist of five members who shall be appointed by the city
23 commission. The members of the city commission may be appointed as members of the
24 authority. With respect to the initial appointment, two members shall be appointed for terms
25 of three years, two members shall be appointed for terms of two years, and one member shall
26 be appointed for a term of one year. Thereafter, all appointments shall be made for terms of
27 three years and until successors are appointed and qualified. Immediately after such
28 appointments the members of the authority shall enter upon their duties. To be eligible for
29 appointment as a member of the authority, a person shall be at least 21 years of age, shall be
30 a resident of the city for at least two years prior to the date of his or her appointment, and
31 shall not have been convicted of a felony. Any member of the authority may be selected and
32 appointed to succeed himself or herself.

33 (c) The members shall not be compensated for their services; provided, however, that such
34 members shall be reimbursed for their actual expenses necessarily incurred in the
35 performance of their duties.

36 (d) The members of the authority shall elect one of their number as chairperson and another
37 as a vice chairperson. The members of the authority shall also elect a secretary, who need
38 not be a member of the authority, and may also elect a treasurer, who need not be a member
39 of the authority. The secretary may also serve as treasurer. If the secretary or treasurer is not
40 a member of the authority, such officer shall have no voting rights on the authority. Each of

41 such officers shall serve for a period of one year and until their successors are duly elected
42 and qualified.

43 (e) Three members of the authority shall constitute a quorum. No vacancy on the authority
44 shall impair the right of the quorum to exercise all of the rights and perform all of the duties
45 of the authority.

46 **SECTION 3.**

47 Definitions.

48 As used in this Act, the term:

49 (1) "Authority" means the City of Cedartown Public Facilities Authority created by this
50 Act.

51 (2) "City" means the City of Cedartown, Georgia.

52 (3) "Costs of the project" means and embraces the cost of construction; the cost of all
53 lands, properties, rights, easements, and franchises acquired; the cost of all machinery and
54 equipment; financing charges; interest prior to and during construction and for six months
55 after completion of construction; the cost of engineering, architectural, fiscal agents,
56 accounting, legal, plans, and specifications and expenses necessary or incidental to
57 determining the feasibility or practicability of the project; administrative expenses;
58 working capital; and all other costs necessary to acquire, construct, add to, extend,
59 improve, equip, operate, maintain, or finance the project.

60 (4) "County" means Polk County, Georgia.

61 (5) "Project" means:

62 (A) All buildings, facilities, and equipment necessary or convenient for the efficient
63 operation of:

64 (i) The city or any department, agency, division, or commission thereof;

65 (ii) The county school district; and

- 66 (iii) The county or any department, agency, division, or commission thereof; and
67 (B) Any "undertaking" permitted by the Revenue Bond Law within the city limits;
68 provided, however, that all projects for the county school district or the county must be
69 located in the city limits.
- 70 (6) "Revenue Bond Law" means Article 3 of Chapter 82 of Title 36 of the O.C.G.A. or
71 any other similar law hereinafter enacted.
- 72 (7) "Revenue bonds" means revenue bonds authorized to be issued pursuant to this Act.
- 73 (8) "Self-liquidating" means any project which the revenues and earnings to be derived
74 by the authority therefrom, including, but not limited to, any contractual payments with
75 governmental or private entities and all properties used, leased, and sold in connection
76 therewith, together with any grants and any other available funds, will be sufficient to pay
77 the costs of operating, maintaining, and repairing the project and to pay the principal and
78 interest on the revenue bonds or other obligations which may be issued for the purpose
79 of paying the costs of the project.
- 80 (9) "State" means the State of Georgia.

81 **SECTION 4.**
82 Powers.

83 The authority shall have the power:

- 84 (1) To have a seal and alter the same at its pleasure;
- 85 (2) To acquire by purchase, lease, gift, condemnation, or otherwise, and to hold, operate,
86 maintain, lease, and dispose of real and personal property of every kind and character for
87 its corporate purposes;
- 88 (3) To acquire, construct, add to, extend, improve, equip, operate, maintain, lease, and
89 dispose of projects;

- 90 (4) To execute contracts, leases, installment sale agreements, and other agreements and
91 instruments necessary or convenient in connection with the acquisition, construction,
92 addition, extension, improvement, equipping, operation, maintenance, disposition, or
93 financing of a project;
- 94 (5) To appoint, select, and employ officers, agents, and employees, including, but not
95 limited to, engineering, architectural, and construction experts; fiscal agents; and
96 attorneys, and fix their respective compensations;
- 97 (6) To pay the costs of the project with the proceeds of revenue bonds, notes, or other
98 forms of obligations issued by the authority or from any grant or contribution from the
99 United States of America or any agency or instrumentality thereof or from the state or
100 any agency, instrumentality, municipality, or political subdivision thereof or from any
101 other source whatsoever;
- 102 (7) To pledge to the payment of revenue bonds, notes, and other forms of obligations
103 issued by the authority any and all revenues and properties of the authority, both real and
104 personal;
- 105 (8) To accept loans and grants of money or materials or property of any kind from the
106 United States of America or any agency or instrumentality thereof, upon such terms and
107 conditions as the United States of America or such agency or instrumentality may
108 require;
- 109 (9) To accept loans and grants of money or materials or property of any kind from the
110 state or any agency, instrumentality, municipality, or political subdivision thereof, upon
111 such terms and conditions as the state or such agency, instrumentality, municipality, or
112 political subdivision may require;
- 113 (10) To borrow money for any of its corporate purposes and to issue and execute revenue
114 bonds, notes, and other forms of obligations, deeds to secure debt, security agreements,
115 and such other instruments as may be necessary or convenient to evidence and secure
116 such borrowing;

- 117 (11) To adopt, alter, or repeal its own bylaws, rules, and regulations governing the
118 manner in which its business is transacted;
- 119 (12) To prescribe rules, regulations, service policies, and procedures for the operation
120 of any project;
- 121 (13) To exercise any power usually possessed by private corporations performing similar
122 functions; and
- 123 (14) To do all things necessary or convenient to carry out the powers expressly given in
124 this Act.

125 **SECTION 5.**

126 Revenue bonds.

127 The authority shall have power and is hereby authorized to provide by resolution for the
128 issuance of revenue bonds for the purpose of paying all or any part of the costs of the project
129 and for the purpose of refunding revenue bonds or other obligations previously issued. The
130 principal of and interest on such revenue bonds shall be payable solely from the revenues and
131 properties pledged to the payment of such revenue bonds. The revenue bonds issued by the
132 authority shall contain such terms as the authority shall determine are in the best interest of
133 the authority; provided, however, that no revenue bonds shall have a maturity exceeding 40
134 years.

135 **SECTION 6.**

136 Revenue bonds; signature; seal.

137 All such revenue bonds shall bear the manual or facsimile signature of the chairperson or
138 vice chairperson of the authority and the attesting manual or facsimile signature of the
139 secretary, assistant secretary, or secretary-treasurer of the authority, and the official seal of

140 the authority shall be impressed or imprinted thereon. Any revenue bonds may bear the
141 manual or facsimile signature of such persons as at the actual time of the execution of such
142 revenue bonds shall be duly authorized or hold the proper office, although at the date of
143 issuance of such revenue bonds such person may not have been so authorized or shall not
144 have held such office. In case any officer whose signature shall appear on any revenue bond
145 shall cease to be such officer before the delivery of such revenue bond, such signature shall
146 nevertheless be valid and sufficient for all purposes, the same as if that person had remained
147 in office until such delivery.

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SECTION 7.

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Revenue bonds; negotiability; exemption from taxes.

150 All revenue bonds shall have and are hereby declared to have all the qualities and incidents
151 of negotiable instruments under the laws of the state. To the extent provided by general law,
152 all revenue bonds, their transfer, and the income therefrom shall be exempt from all taxation
153 within the state.

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SECTION 8.

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Conditions precedent to issuance or revenue bonds.

156 The authority shall adopt a resolution authorizing the issuance of the revenue bonds. In the
157 resolution, the authority shall determine that the project financed or refinanced with the
158 proceeds of the revenue bonds is self-liquidating. Revenue bonds may be issued without any
159 other proceedings or the happening of any other conditions or things other than those
160 proceedings, conditions, and things which are specified or required by this Act. Any
161 resolution providing for the issuance of revenue bonds under the provisions of this Act shall

162 become effective immediately upon its passage and need not be published or posted, and any
163 such resolution may be passed at any regular or special or adjourned meeting of the authority.

164 **SECTION 9.**

165 Credit not pledged.

166 Revenue bonds shall not be deemed to constitute a debt of the state or any political
167 subdivision or municipal corporation of the state nor a pledge of the faith and credit of the
168 state or any political subdivision or municipal corporation of the state. Revenue bonds shall
169 be payable solely from the revenues and properties pledged to the payment of such revenue
170 bonds. The issuance of revenue bonds shall not directly, indirectly, or contingently obligate
171 the state or any political subdivision or municipal corporation of the state to levy or to pledge
172 any form of taxation whatsoever for the payment of such revenue bonds or to make any
173 appropriation for their payment. All revenue bonds shall contain recitals on their face
174 covering substantially the foregoing provisions of this section. Notwithstanding the
175 foregoing provisions, this Act shall not affect the ability of the authority and a political
176 subdivision or municipal corporation of the state from entering into an intergovernmental
177 contract pursuant to which the political subdivision or municipal corporation agrees to pay
178 amounts sufficient to pay operating charges and other costs of the authority or any project,
179 including, without limitation, the principal of and interest on revenue bonds, in consideration
180 for services or facilities of the authority.

181 **SECTION 10.**

182 Trust indenture as security; validation.

183 In the discretion of the authority, any issuance of revenue bonds may be secured by a trust
184 indenture by and between the authority and a corporate trustee, which may be any trust

185 company or bank having the powers of a trust company within or without the state. Such
186 trust indenture may contain such provisions for protecting and enforcing the rights and
187 remedies of the bondholders as may be reasonable and proper and not in violation of law,
188 including covenants setting forth the duties of the authority in relation to the acquisition and
189 construction of the project; the maintenance, operation, repair, and insuring of the project;
190 and the custody, safeguarding, and application of all moneys.

191 **SECTION 11.**

192 Remedies of bondholders.

193 Any holder of revenue bonds and the trustee under the trust indenture, if any, except to the
194 extent the rights herein given may be restricted by resolution passed before the issuance of
195 the revenue bonds or by the trust indenture, may, either at law or in equity, by suit, action,
196 mandamus, or other proceedings, protect and enforce any and all rights it may have under the
197 laws of the state, including specifically, but without limitation, the Revenue Bond Law, or
198 granted hereunder or under such resolution or trust indenture, and may enforce and compel
199 performance of all duties required by this Act or by such resolution or trust indenture to be
200 performed by the authority or any officer thereof, including the fixing, charging, and
201 collecting of revenues, fees, tolls, fines, and other charges for the use of the facilities and
202 services furnished.

203 **SECTION 12.**

204 Validation.

205 Revenue bonds and the security therefor shall be confirmed and validated in accordance with
206 the procedure of the revenue bond law. The petition for validation shall also make party
207 defendant to such action any political subdivision or municipal corporation of the state that

208 has contracted with the authority for services or facilities relating to the project for which
209 revenue bonds are to be issued and sought to be validated, and such defendant shall be
210 required to show cause, if any exists, why such contract or contracts shall not be adjudicated
211 as a part of the basis for the security for the payment of any such revenue bonds. The
212 revenue bonds, when validated, and the judgment of validation shall be final and conclusive
213 with respect to such revenue bonds and the security for the payment thereof and interest
214 thereon and against the authority and all other defendants.

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SECTION 13.

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Interest of bondholders protected.

217 While any of the revenue bonds issued by the authority remain outstanding, the powers,
218 duties, or existence of the authority or its officers, employees, or agents shall not be
219 diminished or impaired in any manner that will affect adversely the interests and rights of the
220 holders of such revenue bonds, and no other entity, department, agency, or authority will be
221 created which will compete with the authority to such an extent as to affect adversely the
222 interest and rights of the holders of such revenue bonds. The provisions of this Act shall be
223 for the benefit of the authority and the holders of any such revenue bonds, and upon the
224 issuance of such revenue bonds under the provisions hereof, shall constitute a contract with
225 the holders of such revenue bonds.

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SECTION 14.

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Venue and jurisdiction.

228 Any action to protect or enforce any rights under the provisions of this Act or any suit or
229 action against such authority shall be brought in the Superior Court of Polk County, Georgia,
230 and any action pertaining to validation of any revenue bonds issued under the provisions of

231 this Act shall likewise be brought in said court, which shall have exclusive, original
232 jurisdiction of such actions.

233 **SECTION 15.**

234 Money received considered trust funds.

235 All moneys received pursuant to the authority of this Act, whether as proceeds from the sale
236 of revenue bonds, as grants or other contributions, or as revenue, income, fees, and earnings,
237 shall be deemed to be trust funds to be held and applied solely as provided in this Act.

238 **SECTION 16.**

239 Purpose of the authority; scope of operations.

240 Without limiting the generality of any provision of this Act, the general purpose of the
241 authority is declared to be that of providing public buildings, facilities, equipment, and
242 services for the citizens in the city. The scope of operations of the authority shall be limited
243 to the city in that all projects must benefit the city or be located in the city limits.

244 **SECTION 17.**

245 Rates, charges, and revenues; use.

246 The authority is hereby authorized to prescribe and fix rates and to revise same from time to
247 time and to collect revenues, tolls, fees, and charges for the services, facilities, and
248 commodities furnished and, in anticipation of the collection of the revenues, to issue revenue
249 bonds or other types of obligations as provided in this Act to finance, in whole or in part, the
250 costs of the project and to pledge to the punctual payment of said revenue bonds or other
251 obligations all or any part of the revenues.

252 **SECTION 18.**

253 Tort immunity.

254 To the extent permitted by law, the authority shall have the same immunity and exemption
255 from liability for torts and negligence as the city. The officers, agents, and employees of the
256 authority when in the performance of the work of the authority shall have the same immunity
257 and exemption from liability for torts and negligence as the officers, agents, and employees
258 of the city when in the performance of their public duties or work of the city.

259 **SECTION 19.**

260 Tax exemption.

261 The income of the authority, the properties of the authority, both real and personal, and all
262 revenue bonds, certificates of participation, notes, and other forms of obligations issued by
263 the authority shall be exempt from all state and local taxes and special assessments of any
264 kind to the extent permitted by and in accordance with the general laws of the state.

265 **SECTION 20.**

266 Reversion of assets upon dissolution.

267 Upon the dissolution of the authority, all assets owned by the authority shall become property
268 of the city subject to any property rights vested in other parties.

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SECTION 21.

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Effect on other governments.

271 This Act shall not and does not in any way take from any political subdivision or municipal

272 corporation of the state the authority to own, operate, and maintain public facilities or to issue

273 revenue bonds as provided by the Revenue Bond Law.

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SECTION 22.

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Liberal construction of Act.

276 This Act, being for the welfare of various political subdivisions of this state and its

277 inhabitants, shall be liberally construed to effect the purposes hereof.

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SECTION 23.

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Severability; effect of partial invalidity of Act.

280 The provisions of this Act are severable, and if any of its provisions shall be held

281 unconstitutional by any court of competent jurisdiction, the decision of such court shall not

282 affect or impair any of the remaining provisions.

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SECTION 24.

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