

House Bill 786 (AS PASSED HOUSE AND SENATE)

By: Representative Mathis of the 133<sup>rd</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To create the Dodge County Building and Public Facilities Authority; to provide that such  
2 authority is a body corporate and politic and an instrumentality of the State of Georgia; to  
3 authorize the authority to acquire, construct, equip, maintain, and operate certain projects,  
4 including buildings and facilities for use by Dodge County and any other political  
5 subdivision or municipality located in Dodge County for its governmental, proprietary, and  
6 administrative functions; to provide for members of the authority and their terms,  
7 organization, and reimbursement; to provide for vacancies; to provide for definitions; to  
8 confer powers and impose duties on the authority; to grant limitations to the authority; to  
9 authorize the authority to enter into contracts and leases pertaining to uses of such facilities,  
10 which contracts and leases may obligate the lessees to make payment for the use of the  
11 facilities for the term thereof and to pledge for that purpose money derived from taxation;  
12 to provide that no debt of Dodge County or the State of Georgia shall be incurred by the  
13 exercise of any of the powers granted; to authorize the issuance of revenue bonds of the  
14 authority payable from the revenues, rents, and earnings and other functions of the authority;  
15 to authorize the collecting and pledging of such revenues, rents, and earnings for the payment  
16 of such bonds; to authorize the adoption of resolutions and the execution of trust indentures  
17 to secure the payment of such bonds and to define the rights of the holders of such bonds; to  
18 provide for a sinking fund; to make the bonds of the authority exempt from taxation; to

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19 authorize the issuance of refunding bonds; to provide for the validation of such bonds and  
20 to fix the venue for jurisdiction of actions relating to any provision of this Act; to provide  
21 that property and income of the authority shall be exempt from taxation as provided by the  
22 laws of this state; to provide for immunity and exemption from liability for torts and  
23 negligence; to provide that the property of the authority shall not be subject to levy and sale;  
24 to provide that certain moneys are trust funds; to provide that this Act shall be liberally  
25 construed; to define the scope of the authority's operation; to provide for disposition of  
26 property upon authority dissolution; to provide for severability; to repeal conflicting laws;  
27 and for other purposes.

28 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

29 **SECTION 1.**

30 Short title.

31 This Act shall be known and may be cited as the "Dodge County Building and Public  
32 Facilities Authority Act."

33 **SECTION 2.**

34 Dodge County Building and Facilities Authority.

35 There is created a public body corporate and politic to be known as the Dodge County  
36 Building and Public Facilities Authority which shall be an instrumentality and a public  
37 corporation of the State of Georgia, the purpose of which shall be to acquire, construct,  
38 equip, maintain, and operate certain projects for use by Dodge County or any other political  
39 subdivision or municipality located within Dodge County for its governmental, proprietary,  
40 public, and administrative functions. The authority shall not be a state institution, nor a

department or agency of the state, but shall be an instrumentality of the state, a mere creation of the state, being a distinct corporate entity and being exempt from the provisions of Article 2 of Chapter 17 of Title 50 of the O.C.G.A., the "Georgia State Financing and Investment Commission Act." The authority shall have its principal office in Dodge County, and its legal situs or residence for the purposes of this Act shall be Dodge County.

### **SECTION 3.**

#### **Membership.**

The authority shall consist of five members who shall be eligible to succeed themselves and who shall be elected by the Board of Commissioners of Dodge County. No more than two members of the authority may be a member of said board of commissioners. Any member of the authority who is a member of said board of commissioners shall serve for a term of office concurrent with such person's term of office as a member of said board of commissioners. Each member of the authority who is not a member of said board of commissioners shall serve for a term of office of three years, except that the initial terms of office of those members first appointed to the authority shall be specified at the time of appointment to be one, two, and, if no such member is a member of the board of commissioners, three years. After such initial terms, those members who are not members of said board of commissioners shall each serve for terms of office of three years. Members of the authority shall serve for the terms of office so specified and until the appointment and qualification of their respective successors. Vacancies on the authority shall be filled by said board of commissioners for the remainder of the unexpired term and until the appointment and qualification of a successor. Immediately after their election, the members of the authority shall enter upon their duties. The authority shall elect one of its members as chairperson and one as vice chairperson. The secretary-treasurer of the authority shall be appointed by the authority and need not be a member of the authority. Two members of the

authority shall constitute a quorum, and no vacancy on the authority shall impair the right of the quorum to exercise all the rights and perform all the duties of the authority and, in every instance, a majority vote of a quorum shall authorize any legal act of the authority, including all things necessary to authorize and issue revenue bonds. The members of the authority shall receive no compensation for their services but may be reimbursed by the authority for their actual expenses properly incurred in the performance of their official duties. The authority shall promulgate rules and regulations for its own government and shall have perpetual existence.

#### **SECTION 4.**

##### **Definitions.**

As used in this Act, the following words and terms shall have the following meanings unless a different meaning clearly appears from the context:

(1) "Authority" shall mean the Dodge County Building and Public Facilities Authority created by this Act.

(2) "Board of commissioners" shall mean the Board of Commissioners of Dodge County.

(3) "Cost of project" shall include the cost of lands, buildings, improvements, machinery, equipment, property, easements, rights, franchises, material, labor, services acquired or contracted for, plans and specification, financing charges, construction costs, interest prior to and during construction; architectural, accounting, engineering, inspection, administrative, fiscal, and legal expenses; expenses incident to determining the feasibility or practicability of the project; and expenses incident to the acquiring, constructing, equipping, and operating of any project or any part thereof, and to the placing of the same in operation.

(4) "Project" shall mean and include real and personal property acquired or held by the authority, including all land, buildings, structures, sanitary and surface water sewers,

91 utilities, including natural gas distribution, telecommunications, fiber, cable and  
92 broadband services; and other public property determined by the authority to be desirable  
93 for the efficient operation of any department, board, office, commission, or agency of  
94 Dodge County, the Dodge County School District, any municipality or other political  
95 subdivisions located within Dodge County, or of the State of Georgia, in the performance  
96 of its governmental, proprietary, and administrative functions.

97 (5) "Revenue bonds" shall mean revenue bonds issued under the provisions of Article  
98 3 of Chapter 82 of Title 36 of the O.C.G.A., the "Revenue Bond Law," or under the  
99 provisions of this Act. The obligations authorized under this Act may be issued by the  
100 authority in the manner authorized under the "Revenue Bond Law."

## 101 SECTION 5.

### 102 Powers.

103 The authority shall have all the powers necessary or convenient to carry out and effectuate  
104 the purposes and provisions of this Act including, but without limiting the generality of the  
105 foregoing, the power:

106 (1) To sue and be sued;

107 (2) To adopt and alter a corporate seal;

108 (3) To make and execute with public and private persons and corporations contracts,  
109 trusts, leases, rental agreements, and other instruments relating to its projects and in  
110 furtherance of the purposes of the authority, including contracts for constructing, renting,  
111 or leasing of its projects for the use of any county or municipality in this state;

112 (4) To acquire in its own name by purchase on such terms and conditions and in such  
113 manner as it may deem proper or by gift, grant, lease, or otherwise, real and personal  
114 property necessary or convenient for its corporate purposes, or rights and easements  
115 therein, and to use the same so long as its corporate existence shall continue and to lease

or make contracts with respect to the use of or disposition of the same in any manner it deems to the best advantage of the authority. Title to any such property shall be held by the authority exclusively for the benefit of the public.

(5) To improve, extend, add to, reconstruct, renovate, or remodel any project or part thereof already acquired;

(6) To pledge or assign any revenues, income, rent, charges, and fees received by the authority;

(7) To appoint and select agents, engineers, architects, attorneys, fiscal agents, accountants, and employees and to provide for their compensation and duties;

(8) To construct, reconstruct, acquire, own, alter, repair, remodel, maintain, extend, improve, operate, manage, and equip projects located on land owned or leased by the authority;

(9) To receive, accept, and use any contributions, loans, or grants by persons, firms, or corporations, including the State of Georgia and the United States of America, or any instrumentality thereof, and any other contributions;

(10) To pay all or part of the costs of any project from the proceeds of revenue bonds of the authority or from other lawful sources available to it;

(11) To prescribe rules and regulations for the operation of and to exercise police powers over the projects managed or operated by the authority;

(12) To accept, receive, and administer gifts, grants, loans and devises of money, material, and property of any kind, including loans and grants from the State of Georgia or the United States of America or any agency or instrumentality thereof, upon such terms and conditions as the State of Georgia or the United States of America or such agency or instrumentality may impose;

(13) To sell, lease, exchange, transfer, assign, pledge, mortgage, dispose of, grant in trust, or grant options for any real or personal property or interest therein in furtherance of the purposes of the authority;

(14) As security for repayment of authority obligations, to pledge, mortgage, convey, assign, hypothecate, or otherwise encumber any property, real or personal, of such authority and to execute any trust agreement, indenture, or security agreement containing any provisions not in conflict with law, which trust agreement, indenture, or security agreement may provide for foreclosure or forced sale of any property of the authority upon default, on such obligations, either in payment of principal or interest or in the performance of any term or condition, as are contained in such agreement or indenture;

(15) To borrow money for any of its corporate purposes, to issue revenue bonds payable solely from funds pledged for that purpose, and to provide for the payment of the same and for the rights of the holders thereof;

(16) To exercise all powers usually possessed by private corporations performing similar functions which are not in conflict with the Constitution and laws of this state; and

(17) Pursuant to proper resolution of the authority, to issue revenue bonds payable from the rents and revenues of the authority and its projects, which bonds may be issued in either fully negotiable coupon form, in which event they shall have all the qualities and incidents of negotiable instruments under the laws of this state, or they may be issued in whole or in part in nonnegotiable fully registered form without coupons, payable to a designated payee or to the registered assigns of the payee with such conversion privileges as the authority may provide, for the purpose of paying all or any part of the cost associated with the projects authorized by the authority, including the cost of constructing, reconstructing, equipping, extending, adding to, or improving such projects, or for the purpose of refunding, as provided in this Act, any such bonds of the authority theretofore issued. If the proceeds of the bonds of any issue shall exceed the amount required for the purpose for which such bonds were issued, the surplus shall be paid into the fund provided for the payment of principal and interest on such bonds. All such revenue bonds shall be issued and validated under and in accordance with the provisions of Article 3 of Chapter 82 of Title 36 of the O.C.G.A., the "Revenue Bond Law," and in

accordance with all terms and provisions thereof not in conflict with this Act and in accordance with Code Section 50-17-1 of the O.C.G.A., relating to use of facsimile signatures on public securities, and, as security for the payment of any revenue bonds so authorized, any rents and revenue of the authority may be pledged and assigned. Such bonds are declared to be issued for an essential public and governmental purpose, and such bonds and all income therefrom shall be exempt from all taxation within the State of Georgia. For the purpose of the exemption from taxation of such bonds and the income therefrom, the authority shall be deemed to be a political subdivision of the State of Georgia.

#### **SECTION 6.**

Credit not pledged and debt not created by bonds.

Revenue bonds issued under the provisions of this Act shall not constitute a debt or a pledge of the faith and credit of the State of Georgia or Dodge County; but such bonds shall be payable from the rentals, revenue, earnings, and funds of the authority as provided in the resolution, trust agreement, or indenture authorizing the issuance and securing the payment of such bonds. The issuance of such bonds shall not directly, indirectly, or contingently obligate the state or said county to levy or pledge any form of taxation whatever for the payment thereof. No holder of any bond or receiver or trustee in connection therewith shall have the right to enforce the payment thereof against any property of the state or of said county, nor shall any such bond constitute a charge, lien, or encumbrance, legal or equitable, upon any such property. All such bonds shall contain on their face a recital setting forth substantially the foregoing provisions of this section.



**SECTION 7.****Trust agreement.**

In the discretion of the authority, any issue of revenue bonds may be secured by an agreement or indenture made by the authority with a corporate trustee, which may be any trust company or bank having the powers of a trust company within or without this state. Such trust agreement or indenture may pledge and assign rents, fees, charges, revenues, and earnings to be received by the authority. The resolution providing for the issuance of revenue bonds and such trust agreements or indenture may contain provisions for protecting and enforcing the rights and remedies of the bondholders, including the right of appointment of a receiver upon default of the payment of any principal or interest obligation and the right of any receiver or trustee to enforce collection of any rents, fees, charges, or revenues for use of the project or projects necessary to pay all costs of operation and all reserves provided for, all principal and interest on all bonds of the issue, all costs of collection, and all other costs reasonably necessary to accomplish the collection of such sums in the event of any default of the authority. Such resolution and such trust agreement or indenture may include covenants setting forth the duties of the authority in relation to the acquisition of property for and construction of the project and to the custody, safeguarding, and application of all funds and covenants providing for the operation, maintenance, repair, and insurance of the project or projects and may contain provisions concerning the conditions, if any, upon which additional revenue bonds may be issued. Such trust agreement or indenture may set forth the rights and remedies of the bondholders and of the trustee and may restrict the individual right of action of bondholders as is customary in securing bonds and debentures of corporations and may contain such other provisions as the authority may deem reasonable and proper for the security of the bondholders. All expenses incurred in carrying out such trust may be treated as a part of the cost of maintenance, operation, and repair of the project affected by such trust.

**SECTION 8.**

## Refunding bonds.

The authority is authorized to provide by resolution for the issuance of revenue bonds of the authority for the purpose of calling, refunding, or refinancing any revenue bonds issued under the provisions of this Act and then outstanding and to include in the amount of such refunding bonds all interest and any call premiums that may be required for the redemption and refunding of such outstanding bonds.

**SECTION 9.**

## Venue of actions, jurisdiction.

Any action to protect or enforce any rights under the provisions of this Act or any action against the authority brought in the courts of the State of Georgia shall be brought in the Superior Court of Dodge County, Georgia; and any action pertaining to validation of any bonds issued under the provisions of this Act shall be brought in said court, which shall have exclusive, original jurisdiction of such actions.

**SECTION 10.**

## Revenue bond validation.

The petition for validation of all revenue bonds of the authority shall be brought against the authority, and any contracting party whose obligation is pledged as security for the payment of the bonds sought to be validated, as defendants, and the defendants shall be required to show cause, if any exists, as to why such contract or contracts and the terms and conditions thereof shall not be adjudicated to be in all respects valid and binding upon such contracting parties. It shall be incumbent upon such defendants to defend against adjudication of the

240 validity and binding effect of such contract or contracts or be forever bound thereby. Notice  
241 of such proceedings shall be included in the notice of the validation hearing required to be  
242 issued and published by the clerk of the Superior Court of Dodge County in which court such  
243 validation proceedings shall be initiated.

## 244 **SECTION 11.**

245 Interest of bondholders protected.

246 While any of the bonds issued by the authority remain outstanding, the powers, duties, or  
247 existence of the authority or of its officers, employees, or agents shall not be diminished,  
248 impaired, or affected in any manner that will affect adversely the interest and rights of the  
249 holders of such bonds. The provisions of this section shall be for the benefit of the authority  
250 and the holders of any such bonds and, upon the issuance of bonds under the provisions of  
251 this Act, shall constitute a contract with the holders of such bonds.

## 252 **SECTION 12.**

253 Revenues, earnings, rents, and charges; use.

254 (a) For the purpose of earning sufficient revenue to make possible the financing of the  
255 construction of the project or projects of the authority with revenue bonds, the authority is  
256 authorized and empowered to fix, revise, and collect rents, fees, and charges on each project  
257 which it shall cause to be acquired or constructed. Such rents, fees, or charges to be paid for  
258 the use of such project or projects shall be so fixed and adjusted as to provide a fund  
259 sufficient with other revenue, if any, of such project or projects or of the authority:

260 (1) To pay the cost of operating, maintaining, and repairing the project or projects,  
261 including reserves for insurance and extraordinary repairs and other reserves required by

the resolution or trust agreement or indenture pertaining to such bonds and the issuance thereof, unless such cost shall be otherwise provided for;

(2) To pay the principal of and interest on such revenue bonds as the same shall become due, including call premium, if any, the proceeds of which shall have been or will be used to pay the cost of such project or projects;

(3) To comply with any sinking fund requirements contained in the resolution or trust agreement or indenture pertaining to the issuance of and security for such bonds;

(4) To perform fully all provisions of such resolution and trust agreement or indenture relating to the issuance of or security for such bonds to the payment of which such rent is pledged;

(5) To accumulate any excess income which may be required by the purchasers of such bonds or may be dictated by the requirements of such resolution, trust agreement, or indenture, or of achieving ready marketability of and low interest rates on such bonds; and

(6) To pay any expenses in connection with such bond issue or of such project or projects, including but not limited to trustees', attorneys', and fiscal agents' fees.

(b) Such rent shall be payable at such intervals as may be agreed upon and set forth in the rental contract or lease providing therefor, and any such contract or lease may provide for the commencement of rent payments to the authority prior to the completion of the undertaking by the authority of any such project and may provide for the payment of rent during such times as such project or projects may be partially or wholly untenable.

(c) Such rental contract or lease may obligate the tenants or lessees to operate, maintain, and keep in good repair, including complete reconstruction, if necessary, the rented or leased premises and projects, regardless of the cause of the necessity of such maintenance, repair, or reconstruction.

(d) Such rental contract or lease may obligate the tenants or lessees to indemnify and save harmless the authority from any and all damage to persons and property occurring on or by

289 reason of the leased property or improvements thereon and to undertake, at the expense of  
290 the tenants or lessees, the defense of any action brought against the authority by reason of  
291 injury or damages to persons or property occurring on or by reason of the leased premises.

292 (e) In the event of any failure or refusal on the part of the tenants or lessees to perform  
293 punctually any covenant or obligation contained in any such rental contract or lease, the  
294 authority may enforce performance by any legal or equitable process against the tenants or  
295 lessees.

296 (f) The authority shall be permitted to assign any rent payable to it, pursuant to such rental  
297 contract or lease, to a trustee or paying agent as may be required by the terms of the  
298 resolution or trust agreement or indenture relating to the issuance of and security for such  
299 bonds.

300 (g) The use and disposition of the authority's revenue shall be subject to the provisions of  
301 the resolution authorizing the issuance of such bonds or of the trust agreement or indenture,  
302 if any, securing the same.

### 303 **SECTION 13.**

#### 304 **Sinking fund.**

305 The revenue, rents, and earnings derived from any particular project or projects and any and  
306 all revenue, rents, and earnings received by the authority, regardless of whether such  
307 revenue, rents, and earnings were produced by a particular project for which bonds have been  
308 issued, unless otherwise pledged, may be pledged by the authority to payment of the  
309 principal of and interest on revenue bonds of the authority as may be provided in any  
310 resolution authorizing the issuance of such bonds or in any trust instrument pertaining to such  
311 bonds, and such funds so pledged, from whatever source received, may include funds  
312 received from one or more or all sources and may be set aside at regular intervals into

313 sinking funds for which provision may be made in any such resolution or trust instrument  
314 and which may be pledged to and charged with the payment of:

- 315 (1) The interest upon such revenue bonds as such interest shall become due;  
316 (2) The principal of the bonds as the same shall mature;  
317 (3) The necessary charges of any trustee or paying agent for paying such principal and  
318 interest; and  
319 (4) Any premium upon bonds retired by call or purchase;

320 and the use and disposition of any sinking fund may be subject to such regulation as may be  
321 provided for in the resolution authorizing the issuance of the bonds or in the trust instrument  
322 securing the payment of the same.

323 **SECTION 14.**

324 Property acquired for public purpose.

325 The exercise of the powers conferred upon the authority under this Act shall constitute an  
326 essential governmental function for a public purpose, and the property it acquires shall be  
327 deemed to be public property. To the maximum extent permitted by laws of this state, the  
328 authority shall not be required to pay taxes or assessments upon any of the property acquired  
329 by it or under its jurisdiction, control, possession, or supervision or upon its activities in the  
330 operation and maintenance of property acquired by it or of buildings or other improvements  
331 erected or acquired by it or any fees, rents, or other charges for the use of such property or  
332 buildings or improvements or other income received by the authority. Nothing provided in  
333 this section shall include an exemption from sales and use tax on property purchased by or  
334 for the use of the authority.

335 **SECTION 15.**

336 Immunity from tort actions.

337 The authority shall have the same immunity and exemption from liability for torts and  
338 negligence as the State of Georgia, and the officers, agents, and employees of the authority,  
339 when in performance of work of the authority, shall have the same immunity and exemption  
340 from liability for torts and negligence as officers, agents, and employees of the State of  
341 Georgia. The authority may be sued the same as private corporations on any contractual  
342 obligation of the authority.

343 **SECTION 16.**

344 Property not subject to levy and sale.

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

346 **SECTION 17.**

347 Trust funds.

348 All funds received pursuant to authority of Section 12 of this Act, whether as proceeds from  
349 the sale of revenue bonds or as revenue, rents, fees, charges, or other earnings or as grants,  
350 gifts, or other contributions, shall be deemed to be trust funds to be held and applied by the  
351 authority, solely as provided in this Act. The bondholders entitled to receive the benefits of  
352 such funds shall have a lien on all such funds until the same are applied as provided for in  
353 any such resolution or trust instrument of the authority.

354                                   **SECTION 18.**

355                                   Construction.

356    This Act and any other law enacted with reference to the authority shall be liberally  
357    construed for the accomplishment of its purposes.

358                                   **SECTION 19.**

359                                   Scope of operations.

360    The projects of the authority's operation shall be located in the territory embraced within the  
361    jurisdictional limits of Dodge County as the same now or may hereafter exist.

362                                   **SECTION 20.**

363                                   Conveyance of property upon dissolution.

364    Should the authority for any reason be dissolved after full payment of all bonded  
365    indebtedness incurred under this Act, both as to principal and interest, title to all property of  
366    any kind and nature, real and personal, held by the authority at the time of such dissolution  
367    shall be conveyed to Dodge County. The title to any such property may be conveyed prior  
368    to such dissolution in accordance with provisions which may be made therefor in any  
369    resolution or trust instrument relating to such property, subject to any liens, leases, or other  
370    encumbrances outstanding against or in respect to said property at the time of such  
371    conveyance.



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**SECTION 21.**

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Effect of partial invalidity of Act.

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Should any sentence, clause, phrase, or part of this Act be declared for any reason to be

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unconstitutional or invalid, the same shall not affect such remainder of this Act or any part

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hereof, other than the part so held to be invalid, but the remaining provisions of this Act shall

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remain in full force and effect. It is the express intention of this Act to enact each provision

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of this Act independently of any other provision hereof.

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**SECTION 22.**

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Repealer.

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