House Bill 637 (AS PASSED HOUSE AND SENATE)
By: Representatives Hawkins of the 27th, Dubnik of the 29th, Dunahoo of the 30th, and Barr of the 103rd

A BILL TO BE ENTITLED
AN ACT

To create the Lula Development Authority; to provide a short title; to provide definitions; to provide for the powers of the authority; to provide for members of the authority; to provide a development area; to provide for revenue bonds and other obligations of the authority; to recite constitutional authority; to provide for effect on other authorities; to provide for related matters; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.
Short title of Act.

This Act shall be known and may be cited as the "Lula Development Authority Act."

SECTION 2.
Definitions.

As used in this Act:
(1) "Authority" shall mean the Lula Development Authority created pursuant to Section 3 of this Act.
(2) "Cost of the project" or "cost of any project" shall mean and shall include: all costs of acquisition (by purchase or otherwise), demolition, funds for the creation of a revolving loan fund, construction, assembly, installation, modification, renovation, or rehabilitation incurred in connection with any project or any part of any project; all costs of real property, fixtures, or personal property used in or in connection with or necessary for any project or for any facilities related thereto, including, but not limited to, the cost of all land, estates for years, easements, rights, improvements, water rights, connections for utility services, fees, franchises, permits, approvals, licenses, and certificates; the cost of securing any such franchises, permits, approvals, licenses, or certificates and the cost of
of preparation of any application therefor; the cost of all fixtures, machinery, equipment, furniture, and other property used in or in connection with or necessary for any project; all financing charges and loan fees and all interest on revenue bonds, notes, or other obligations of an authority which accrues or is paid prior to and during the period of construction of a project and during such additional period as the authority may reasonably determine to be necessary to place such project in operation; all costs of engineering, surveying, architectural, and legal services and all expenses incurred by engineers, surveyors, architects, and attorneys in connection with any project; all expenses for inspection of any project; all fees of fiscal agents, paying agents, and trustees for bondholders under any trust agreement, indenture of trust, or similar instrument or agreement; all expenses incurred by any such fiscal agents, paying agents, and trustees; all other costs and expenses incurred relative to the issuance of any revenue bonds, notes, or other obligations for any project; all fees of any type charged by an authority in connection with any project; all expenses of or incident to determining the feasibility or practicability of any project; all costs of plans and specifications for any project; all costs of title insurance and examinations of title with respect to any project; repayment of any loans made for the advance payment of any part of any of the foregoing costs, including interest thereon and any other expenses of such loans; administrative expenses of the authority and such other expenses as may be necessary or incident to any project or the financing thereof or the placing of any project in operation; and a fund or funds for the creation of a debt service reserve, a renewal and replacement reserve, or such other funds or reserves as the authority may approve with respect to the financing and operation of any project and as may be authorized by any bond resolution, trust agreement, indenture of trust, or similar instrument or agreement pursuant to the provisions of which the issuance of any revenue bonds, notes, or other obligations of the authority may be authorized. Any cost, obligation, or expense incurred for any of the foregoing purposes shall be a part of the cost of the project and may be paid or reimbursed as such out of proceeds of revenue bonds, notes, or other obligations issued by the authority.

(3) "Development area" means the geographical area of operations of the authority as described in Section 5 of this Act.

(4) "Project" shall mean the acquisition, demolition, construction, installation, modification, renovation, or rehabilitation of land, interests in land, buildings, structures, facilities, or other improvements located or to be located within the development area and the acquisition, installation, modification, renovation, rehabilitation, or furnishing of fixtures, machinery, equipment, furniture, or other property of any nature whatsoever used on, in, or in connection with any such land, interest in land, building, structure,
facility, or other improvement, all for the essential public purpose of the development of trade, commerce, industry, and employment opportunities in the development area. A project may be for any industrial, commercial, residential, business, office, parking, public, or other use, including the administration and operation of a revolving loan fund, provided that a majority of the members of the authority determine, by a resolution duly adopted, that the project and such use thereof would further the public purpose of this Act.

(5) "Revenue bonds" or "bonds" shall mean any bonds issued by the authority that are authorized to be issued under the Constitution and laws of the State of Georgia, including refunding bonds and revenue bonds issued pursuant to Article 3 of Chapter 82 of Title 36 of the O.C.G.A., the "Revenue Bond Law," but not including notes or other obligations of an authority.

SECTION 3.
Creation and power of authority.

(a) There is created a public body corporate and politic known as the Lula Development Authority.

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

(1) Sue and be sued;

(2) Adopt and amend a corporate seal;

(3) Make and execute contracts, agreements, and other instruments necessary or convenient to exercise the powers of the authority or to further the public purpose for which the authority is created, including, but not limited to, contracts for construction of projects, leases of projects, contracts for sale of projects, agreements for loans to finance projects, and contracts with respect to the use of projects;

(4) Acquire by purchase, lease, or otherwise and to hold, lease, and dispose of real and personal property of every kind and character or any interest therein in furtherance of the public purpose of the authority;

(5) Finance, by loan, grant, lease, or otherwise, construct, demolish, erect, assemble, purchase, acquire, own, repair, remodel, renovate, rehabilitate, modify, maintain, extend, improve, install, sell, equip, expand, add to, operate, or manage projects and to pay the cost of any project from the proceeds of revenue bonds, notes, or other obligations of the authority or any other funds of the authority, or from any contributions or loans by
persons, corporations, partnerships (limited or general), or other entities, all of which the
authority is authorized to receive and accept and use;

(6) Borrow money to further or carry out its public purpose and to execute revenue
bonds; notes; other obligations; leases; trust indentures; trust agreements; agreements for
the sale of its revenue bonds, notes, or other obligations; loan agreements; mortgages;
deeds to secure debt; trust deeds; security agreements; assignments; and such other
agreements or instruments as may be necessary or desirable, in the judgment of the
authority, to evidence and to provide security for such borrowing;

(7) Issue revenue bonds, notes, or other obligations of the authority and use the proceeds
thereof to pay all or any part of the cost of any project and otherwise to further or carry
out the public purpose of the authority and to pay all costs of the authority incident to, or
necessary and appropriate to, furthering or carrying out such purpose;

(8) Make application directly or indirectly to any federal, state, county, or municipal
government or agency or to any other source, public or private, for loans, grants,
guarantees, or other financial assistance in furtherance of the authority's public purpose
and to accept and use the same upon such terms and conditions as are prescribed by such
federal, state, county, or municipal government or agency or other source;

(9) Enter into agreements with the federal government or any agency thereof to use the
facilities or the services of the federal government or any agency thereof in order to
further or carry out the public purpose of the authority;

(10) Contract for any period not exceeding 50 years with the State of Georgia, state
institutions, or any city, town, municipality, or county of the state for the use by the
authority of any facilities or services of the state or any such state institution, city, town,
municipality, or county or for the use by any state institution or any city, town,
municipality, or county of any facilities or services of the authority, provided that such
contracts shall deal with such activities and transactions as the authority and any such
political subdivision with which the authority contracts are by law authorized to
undertake;

(11) Extend credit or make loans to any person, corporation, partnership (limited or
general), or other entity for the costs of any project or any part of the costs of any project,
which credit or loans may be evidenced or secured by loan agreements, notes, mortgages,
deeds to secure debt, trust deeds, security agreements, assignments, or other instruments
or by rentals, revenues, fees, or charges, upon such terms and conditions as the authority
shall determine to be reasonable in connection with such extension of credit or loans,
including provision for the establishment and maintenance of reserve funds, and, in the
exercise of powers granted in connection with any project, the authority shall have the
right and power to require the inclusion in any such loan agreement, note, mortgage, deed
to secure debt, trust deed, security agreement, assignment, or other instrument of such
provisions or requirements for guarantee of any obligations, insurance, construction, use,
operation, maintenance, and financing of a project and such other terms and conditions
as the authority may deem necessary or desirable;

(12) As security for repayment of any revenue bonds, notes, or other obligations of the
authority, pledge, mortgage, convey, assign, hypothecate, or otherwise encumber any
property of the authority (including but not limited to real property, fixtures, personal
property, and revenues or other funds) and to execute any lease; trust indenture; trust
agreement; agreement for the sale of the authority's revenue bonds, notes, or other
obligations; loan agreement; mortgage; deed to secure debt; trust deed; security
agreement; assignment; or other agreement or instrument as may be necessary or
desirable in the judgment of the authority to secure any such revenue bonds, notes, or
other obligations, which instruments or agreements may provide for foreclosure or forced
sale of any property of the authority upon default in any obligation of the authority, either
in payment of principal, premium, if any, or interest or in the performance of any term
or condition contained in any such agreement or instrument. The State of Georgia on
behalf of itself and each county, municipal corporation, political subdivision, or taxing
district therein waives any right it or such county, municipal corporation, political
subdivision, or taxing district may have to prevent the forced sale or foreclosure of any
property of the authority upon such default and agrees that any agreement or instrument
encumbering such property may be foreclosed in accordance with law and the terms
thereof;

(13) Receive and use the proceeds of any tax levied by a county or municipal corporation
to pay the costs of any project or for any other purpose for which the authority may use
its own funds pursuant to this Act;

(14) Receive and administer gifts, grants, and devises of money and property of any kind
and to administer trusts;

(15) Use any real property, personal property, or fixtures or any interest therein, to rent
or lease such property to or from others or make contracts with respect to the use thereof,
or to sell, lease, exchange, transfer, assign, pledge, or otherwise dispose of or grant
options for any such property in any manner as it deems to the best advantage of the
authority and the public purpose thereof;

(16) Acquire, accept, or retain equitable interests, security interests, or other interests in
any real property, personal property, or fixtures by loan agreement, note, mortgage, deed
to secure debt, trust deed, security agreement, assignment, pledge, conveyance, contract,
lien, loan agreement, or other consensual transfer in order to secure the repayment of any
monies loaned or credit extended by the authority;
(17) Appoint, select, and employ engineers, surveyors, architects, urban or city planners, developers, fiscal agents, attorneys, and others and to fix their compensation and pay their expenses;

(18) Encourage and promote the improvement and revitalization of the development area and to make, contract for, or otherwise cause to be made long-range plans or proposals for the development area in cooperation with the county within which the development area is located;

(19) Adopt bylaws governing the conduct of business by the authority, the election and duties of officers of the authority, and other matters which the authority determines to deal within its bylaws;

(20) Exercise any power granted by the laws of the State of Georgia to public or private corporations which is not in conflict with the public purpose of the authority; and

(21) Do all things necessary or convenient to carry out the powers conferred by this Act.

(c) The powers enumerated in subsection (b) of this section are cumulative with and in addition to those enumerated elsewhere in this Act, and no such power limits or restricts any other power of the authority.

SECTION 4.
Members of authority; disqualifications.

(a) The authority shall be composed of seven members as follows:

(1) One member shall be the mayor of the City of Lula;

(2) One member shall be a member of the governing authority of Hall County;

(3) Three members shall be either a taxpayer residing in the City of Lula, a taxpayer residing in Hall County who owns or operates a business located within the city, or a taxpayer residing in Hall County who owns or operates a business located within either the water or sewer service area of the City of Lula, appointed by the governing authority of the City of Lula;

(4) One member shall be either a taxpayer residing in the portion of Hall County within either the water or sewer service area of the City of Lula or a person who owns or operates a business located within either the water or sewer service area of the City of Lula, appointed by the governing authority of Hall County; and

(5) One member shall be either a taxpayer residing in Hall County or a person who owns or operates a business located within Hall County, appointed by the governing authority of the City of Lula.

(b) Terms of office of members of the authority shall be for four years and until their successors are appointed and qualified, except that two of the initial members appointed
by the governing authority of the City of Lula pursuant to paragraph (3) of subsection (a) of this section shall serve initial terms of office of two years and until their successors are appointed and qualified. Thereafter, terms of office of all members of the authority shall be for four years and until their successors are appointed and qualified. Any vacancy of office shall be filled in like manner as the original appointment, and the person appointed to fill such vacancy shall serve for the remainder of the unexpired term and until a successor is appointed and qualified.

(c) No member of the authority shall be disqualified from serving on the authority because of any pecuniary interest in a project as defined in Section 2 of this Act, but the fact of such interest shall be disclosed by such member and recorded on the minutes of the authority. The member shall abstain from voting on any project in which he or she has such pecuniary interest.

(d) The members of the authority shall elect from their membership officers to serve terms to be determined by a subsequent organizing resolution adopted by the board, and such officers shall include a chairperson, vice chairperson, and secretary-treasurer.

SECTION 5.
Development area; change of boundaries.

The development area defined in this Act shall be all of that tract or parcel of land within the City of Lula, as well as those tracts or parcels of land in unincorporated Hall County within the City of Lula water service area and those tracts or parcels of land in unincorporated Hall County within the City of Lula sewer service area on July 1, 2019.

SECTION 6.
Revenue bonds.

Revenue bonds, notes, or other obligations issued by an authority shall be paid solely from the property (including but not limited to real property, fixtures, personal property, revenues, or other funds) pledged, mortgaged, conveyed, assigned, hypothecated, or otherwise encumbered to secure or to pay such bonds, notes, or other obligations. All revenue bonds, notes, and other obligations shall be authorized by resolution of the authority and adopted by a majority vote of the directors of the authority at a regular or special meeting. Such revenue bonds, notes, or other obligations shall bear such date or dates; shall mature at such time or times not more than 40 years from their respective dates; shall bear interest at such rate or rates (which may be fixed or may fluctuate or otherwise change from time to time); shall be subject to redemption on such terms; and shall contain such other terms, provisions,
covenants, assignments, and conditions as the resolution authorizing the issuance of such bonds, notes, or other obligations may permit or provide. The terms, provisions, covenants, assignments, and conditions contained in or provided or permitted by any resolution of the authority authorizing the issuance of such revenue bonds, notes, or other obligations shall bind the directors of the authority then in office and their successors. The authority shall have power from time to time and whenever it deems expedient to refund any bonds by the issuance of new bonds, whether the bonds to be refunded have or have not matured, and may issue bonds partly to refund bonds then outstanding and partly for any other purpose permitted under this Act. The refunding bonds may be exchanged for the bonds to be refunded with such cash adjustments as may be agreed upon or may be sold and the proceeds applied to the purchase or redemption of the bonds to be refunded. There shall be no limitation upon the amount of revenue bonds, notes, or other obligations which the authority may issue. Any limitations with respect to interest rates or any maximum interest rate or rates found in the Revenue Bond Law (Ga. L. 1937, p. 761), as now or hereafter amended, the usury laws of the State of Georgia, or any other laws of the State of Georgia shall not apply to revenue bonds, notes, or other obligations of an authority.

SECTION 7.
Provisions and obligations; limitations and procedures.

(a) Subject to the limitations and procedures provided by this section, the agreements or instruments executed by the authority may contain such provisions not inconsistent with law as shall be determined by the board of directors of the authority.

(b) The proceeds derived from the sale of all bonds, notes, and other obligations issued by the authority shall be held and used for the ultimate purpose of paying, directly or indirectly as permitted in this Act, all or part of the cost of any project or for the purpose of refunding any bonds, notes, or other obligations issued in accordance with the provisions of this Act.

(c) Issuance by an authority of one or more series of bonds, notes, or other obligations for one or more purposes shall not preclude it from issuing other bonds, notes, or other obligations in connection with the same project or with any other projects, but the proceeding wherein any subsequent bonds, notes, or other obligations shall be issued shall recognize and protect any prior loan agreement, mortgage, deed to secure debt, trust deed, security agreement, or other agreement or instrument made for any prior issue of bonds, notes, or other obligations unless in the resolution authorizing such prior issue the right is expressly reserved to the authority to issue subsequent bonds, notes, or other obligations on a parity with such prior issue.
(d) The authority shall have the power and is authorized, whenever bonds of the authority shall have been validated as provided in this Act, to issue from time to time its notes in anticipation of such bonds as validated and to renew from time to time any such notes by the issuance of new notes, whether the notes to be renewed have or have not matured. The authority may issue such bond anticipation notes only to provide funds which would otherwise be provided by the issuance of the bonds as validated. Such notes may be authorized, sold, executed, and delivered in the same manner as bonds. As with its bonds, the authority may sell such notes at public or private sale. Any resolution or resolutions authorizing notes of the authority or any issue thereof may contain any provisions which the authority is authorized to include in any resolution or resolutions authorizing bonds of the authority or any issue thereof, and the authority may include in any notes any terms, covenants, or conditions which the authority is authorized to include in any bonds. Validation of such bonds shall be a condition precedent to the issuance of such notes, but it shall not be required that such notes be judicially validated. Bond anticipation notes shall not be issued in an amount exceeding the par value of the bonds in anticipation of which they are to be issued.

(e) All bonds issued by the authority under this Act shall be issued and validated under and in accordance with the Revenue Bond Law, as heretofore and hereafter amended, except as provided in this Act, provided that notes and other obligations of the authority may, but shall not be required to, be so validated.

(f) Bonds issued by an authority may be in such form, either coupon or fully registered or both, and may be subject to exchangeability and transferability provisions as the bond resolution authorizing the issuance of such bonds or any indenture or trust agreement may provide.

(g) Bonds shall bear a certificate of validation. The signature of the clerk of the superior court of the judicial circuit in which the issuing authority is located may be made on the certificate of validation of such bonds by facsimile or by manual execution stating the date on which such bonds were validated, and such entry shall be original evidence of the fact of judgment and shall be received as original evidence in any court in this state.

(h) In lieu of specifying the rate or rates of interest which bonds to be issued by an authority are to bear, the notice to the district attorney or Attorney General; the notice to the public of the time, place, and date of the validation hearing; and the petition and complaint for validation may state that the bonds when issued will bear interest at a rate not exceeding a maximum per annum rate of interest (which may be fixed or may fluctuate or otherwise change from time to time) specified in such notices and petition and complaint or that, in the event the bonds are to bear different rates of interest for different maturity dates, that none of such rates will exceed the maximum rate (which may be fixed or may
fluctuate or otherwise change from time to time) so specified; provided, however, that
nothing contained herein shall be construed as prohibiting or restricting the right of the
authority to sell such bonds at a discount, even if in doing so the effective interest cost
resulting therefrom would exceed the maximum per annum interest rate specified in such
notices and in the petition and complaint.

SECTION 8.
Purpose and declaration of need.

The revitalization and redevelopment of the development area as defined in this Act develop
and promote trade, commerce, industry, and employment opportunities for the public good
and general welfare and promote the general welfare of the state by creating a climate
favorable to the location of new industry, trade, and commerce and the development of
existing industry, trade, and commerce within the City of Lula water and sewer service area
and the State of Georgia. Revitalization and redevelopment of the development area by
financing projects under the Act will develop and promote, for the public good and general
welfare, trade, commerce, industry, and employment opportunities and will promote the
general welfare of the state. It is therefore in the public interest and is vital to the public
welfare of the people of Georgia, and it is declared to be the public purpose of this Act to so
revitalize and redevelop the development area. No bonds, notes, or other obligations (except
refunding bonds) shall be issued by the authority hereunder unless its board of directors
adopts a resolution finding that the project for which such bonds, notes, or other obligations
are to be issued will promote the foregoing objectives.

SECTION 9.
Construction of Act.

The provisions of this Act shall be liberally construed to effect the purpose hereof. The offer,
sale, or issuance of bonds, notes, or other obligations by any authority shall not be subject
to regulation under Georgia laws regulating the sale of securities, as heretofore and hereafter
amended. No notice, proceeding, or publication except those required by this Act shall be
necessary to the performance of any act authorized by this Act nor shall any such act be
subject to referendum.
SECTION 10. 
Bonds, notes, and other obligations not to constitute public debt. 

No bonds, notes, or other obligations of and no indebtedness incurred by the authority shall constitute an indebtedness or obligation of the State of Georgia or any county, municipal corporation, or political subdivision thereof nor shall any act of the authority in any manner constitute or result in the creation of an indebtedness of the state or any such county, municipal corporation, or political subdivision. No holder or holders of any such bonds, notes, or other obligations shall ever have the right to compel any exercise of the taxing power of the state or any county, municipal corporation, or political subdivision thereof or to enforce the payment thereof against the state or any such county, municipal corporation, or political subdivision.

SECTION 11. 
Constitutional authority for Act; tax exemption of authorities. 

(a) This Act is enacted pursuant to Article IX, Section VI, Paragraph III of the Constitution of Georgia. 
(b) The obligations, properties, activities, and income of the authority shall be subject to such tax exemptions as may be provided by general law.

SECTION 12. 
Effect on other authorities. 

This Act shall not affect any other authority now or hereafter existing under general or local constitutional amendment or general or local law.

SECTION 13. 
Repealer. 

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