

House Bill 602 (AS PASSED HOUSE AND SENATE)

By: Representatives Dempsey of the 13th, Lumsden of the 12th, and Scoggins of the 14th

A BILL TO BE ENTITLED
AN ACT

1 To create the Rome Building Authority; to provide for a short title; to provide for members
2 of the authority; to provide for definitions; to confer powers upon the authority; to authorize
3 the issuance of revenue bonds; to provide for the form, denomination, registration, and place
4 of payment; to provide for negotiable bonds and exemption from taxation; to provide for the
5 sale, price, and proceeds of revenue bonds; to provide for interim receipts and certificates or
6 temporary bonds; to provide for replacement of lost or mutilated bonds; to provide for
7 conditions precedent to issuance of revenue bonds; to authorize the execution of resolutions;
8 to provide for credit not pledged; to provide for a trust indenture as a security; to provide for
9 whom the proceeds of the bonds shall be paid; to provide for a sinking fund; to provide for
10 remedies of bondholders; to provide for validation of revenue bonds; to provide for venue
11 and jurisdiction of actions relating to any provisions of this Act; to provide for the protection
12 of bondholders' interest; to provide for trust funds; to provide for purpose; to provide for
13 rates, charges, revenues, and use; to provide for rules, regulations, service policies, and
14 procedures for the operation of projects; to provide for tort immunity; to provide for
15 tax-exempt status; to provide for effect on other governments; to provide for liberal
16 construction; to provide for related matters; to repeal conflicting laws; and for other
17 purposes.

18 **BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:**

19 **SECTION 1.**

20 Short title.

21 This Act shall be known and may be cited as the "City of Rome Building Authority Act."

22 **SECTION 2.**

23 Rome Building Authority.

24 (a) There is hereby created a public body corporate and politic to be known as the "Rome
25 Building Authority," which shall be deemed to be a political subdivision of the state and a
26 public corporation, and by that name, style, and title said body may contract and be
27 contracted with, sue and be sued, implead and be impleaded, and complain and defend in all
28 courts of law and equity. Such corporation shall be separate and distinct from any public
29 corporation heretofore created by the General Assembly and shall be an instrumentality of
30 the State of Georgia exercising governmental powers.

31 (b) The authority shall consist of three members who shall be the mayor of the City of
32 Rome, the city manager of the City of Rome, and the superintendent of the City of Rome
33 School System. Immediately upon the passage and approval of this Act, the members of the
34 authority shall enter upon their duties.

35 (c) The members of the authority shall elect one of their number as chairperson and shall
36 elect a secretary and treasurer who need not necessarily be a member of the authority. If the
37 secretary and treasurer is not a member of the authority, such officer shall have no voting
38 rights. Each of such officers shall serve for a period of one year and until their successors
39 are duly elected and qualified.

40 (d) Two members of the authority shall constitute a quorum. No vacancy on the authority
41 shall impair the right of the quorum to exercise all of the rights and perform all of the duties
42 of the authority.

43 (e) The members of the authority shall not be entitled to compensation for their services but
44 shall be entitled to and shall be reimbursed for their actual expenses necessarily incurred in
45 the performance of their duties.

46 (f) The authority shall make rules and regulations for its own governance. It shall have
47 perpetual existence. Any change in the name or composition of the authority shall in no way
48 affect the vested rights of any person under the provisions of this Act or impair the
49 obligations of any contracts under this Act.

50 **SECTION 3.**

51 Definitions.

52 As used in this Act, the term:

53 (1) "Authority" means the Rome Building Authority created by this Act.

54 (2) "Costs of the project" means and embraces the cost of construction; the cost of all
55 lands, properties, rights, easements, and franchises acquired; the cost of all machinery and

56 equipment; financing charges; interest prior to and during construction and for six months
 57 after completion of construction; the cost of engineering, architectural, fiscal agents'
 58 expenses, legal expenses, plans and specifications, and other expenses necessary or
 59 incidental to determining the feasibility or practicability of the project; administrative
 60 expenses and such other expenses as may be necessary or incident to the financing
 61 authorized in this Act; working capital; and all other costs necessary to acquire, construct,
 62 add to, extend, improve, equip, operate, and maintain the project.

63 (3) "Project" means:

64 (A) All buildings, facilities, and equipment necessary or convenient for the efficient
 65 operation of the City of Rome, or any department, agency, division, or commission
 66 thereof; or

67 (B) Any "undertaking" permitted by the "Revenue Bond Law."

68 (4) "Revenue Bond Law" means the Revenue Bond Law of the State of Georgia, codified
 69 at Article 3 of Chapter 82 of Title 36 of the O. C. G. A., as amended, the "Revenue Bond
 70 Law."

71 (5) "Revenue bonds" means revenue bonds authorized to be issued pursuant to the terms
 72 of this Act and Article 3 of Chapter 82 of Title 36 of the O.C.G.A., the "Revenue Bond
 73 Law."

74 (6) "Self-liquidating" means any project from which the revenues and earnings to be
 75 derived by the authority therefrom, including but not limited to any contractual payments
 76 with governmental or private entities, and all properties used, leased, and sold in
 77 connection therewith, together with any grants, will be sufficient to pay the costs of
 78 operating, maintaining, and repairing the project and to pay the principal and interest on
 79 the revenue bonds or other obligations which may be issued for the purpose of paying the
 80 costs of the project.

81 (7) "State" means the State of Georgia.

82 **SECTION 4.**

83 Powers.

84 The authority shall have the power:

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

86 (2) To acquire by purchase, lease, gift, or otherwise and to hold, operate, maintain, lease,
 87 and dispose of real and personal property of every kind and character for its corporate
 88 purposes;

89 (3) To acquire in its own name by purchase, lease, gift, or otherwise on such terms and
 90 conditions and in such manner as it may deem proper, real property and personal property

91 or rights or easements therein or franchises necessary or convenient for its corporate
92 purposes, to use the same so long as its corporate existence shall continue, to lease or
93 make contracts with respect to the use of the same, or to dispose of the same in any
94 manner it deems to the best advantage of the authority. No property shall be acquired
95 under the provisions of this Act upon which any lien or encumbrance exists, unless, at the
96 time such property is so acquired, a sufficient sum of money is to be deposited in trust to
97 pay and redeem the fair value of such lien or encumbrance. If the authority shall deem
98 it expedient to construct any project on lands which are subject to the control of the City
99 of Rome, the City of Rome is authorized to convey such lands to the authority for such
100 consideration as may be agreed upon by the authority and the City of Rome, taking into
101 consideration the public benefit to be derived from such conveyance;

102 (4) To exercise the powers conferred upon a public corporation or public authority by
103 Article IX, Section III, Paragraph I of the Constitution of Georgia, such authority being
104 hereby expressly declared to be a "public corporation" or "public authority" within the
105 meaning of such provision of the Constitution of Georgia;

106 (5) To appoint, select, and employ officers, agents, and employees, including
107 engineering, architectural, and construction experts, fiscal agents, and attorneys, and fix
108 their respective compensations;

109 (6) To execute contracts, leases, agreements, and instruments necessary or convenient
110 in connection with the acquisition, construction, addition, extension, improvement,
111 equipping, operation, or maintenance of the project; and any and all persons, firms,
112 corporations, and the City of Rome are authorized to enter into contracts, leases,
113 agreements, or instruments with the authority upon such terms and for such purposes as
114 they may deem advisable and as they are authorized to enter into by law;

115 (7) To acquire, construct, add to, extend, improve, equip, operate, and maintain a project;

116 (8) To pay the costs of the project with the proceeds of revenue bonds or other
117 obligations issued by the authority or from any grant or contribution from the United
118 States of America or any agency or instrumentality thereof or from the state or any
119 agency or instrumentality or other political subdivision thereof or from any other source
120 whatsoever;

121 (9) To accept loans or grants of money or materials or property of any kind from the
122 United States of America or any agency or instrumentality thereof upon such terms and
123 conditions as the United States of America or such agency or instrumentality may
124 require;

125 (10) To accept loans or grants of money or materials or property of any kind from the
126 state or any agency or instrumentality or political subdivision thereof upon such terms

127 and conditions as the state or such agency or instrumentality or political subdivision may
128 require;

129 (11) To borrow money for any of its corporate purposes, to issue revenue bonds, and to
130 provide for the payment of the same and for the rights of the holders thereof;

131 (12) To exercise any power usually possessed by private corporations performing similar
132 functions, including the power to incur short-term debt and to approve, execute, and
133 deliver appropriate evidence of any such indebtedness; and

134 (13) To do all things necessary or convenient to carry out the powers expressly given in
135 this Act.

136 SECTION 5.

137 Revenue bonds.

138 The authority, or any authority or body which has or which may in the future succeed to the
139 powers, duties, and liabilities vested in the authority created by this Act, shall have power
140 and is authorized to provide by resolution for the issuance of revenue bonds of the authority
141 for the purpose of paying all or any part of the costs of the project and for the purpose of
142 refunding revenue bonds or other obligations previously issued. The principal of and interest
143 on such revenue bonds shall be payable solely from the special fund provided for such
144 payment. The revenue bonds of each issue shall be dated, shall bear interest at such rate or
145 rates per annum payable at such time or times, shall mature at such time or times not
146 exceeding 40 years from their date or dates, shall be payable in such medium of payment as
147 to both principal and interest as may be determined by the authority, and may be redeemable
148 before maturity, at the option of the authority, at such price or prices and under such terms
149 and conditions as may be fixed by the authority in the resolution for the issuance of such
150 revenue bonds. Revenue bonds shall be undertaken, issued, priced, validated, sold, paid,
151 redeemed, refunded, secured, and replaced in accordance with provisions of the "Revenue
152 Bond Law."

153 SECTION 6.

154 Form; denomination; registration; place of payment.

155 The authority shall determine the form of the revenue bonds and shall fix the denomination
156 or denominations of the revenue bonds. The revenue bonds may be issued in coupon or
157 registered form, or both, as the authority may determine, and provision may be made for
158 registration and exchangeability privileges. The authority shall fix the place or places of

159 payment of principal and interest thereon, which may be at any bank or trust company within
160 or outside the state.

161 **SECTION 7.**

162 Signatures; seal.

163 All such revenue bonds shall bear the manual or facsimile signature of the authority's
164 chairperson and secretary and the official seal of the authority shall be impressed or
165 imprinted thereon. Any revenue bonds may bear the manual or facsimile signatures of such
166 persons as at the actual time of the execution of such revenue bonds or coupons shall be duly
167 authorized or hold the proper office, although at the date of issuance of such revenue bonds
168 such persons may not have been so authorized or shall not have held such office. In case any
169 officer whose signature shall appear on any revenue bond shall cease to be such officer
170 before the delivery of such revenue bond, such signature shall nevertheless be valid and
171 sufficient for all purposes in the same manner as if that person had remained in office until
172 such delivery.

173 **SECTION 8.**

174 Negotiability; exemption from taxation.

175 All revenue bonds under the provisions of this Act shall have and are declared to have all the
176 qualities and incidents of negotiable instruments under the laws of the state. All revenue
177 bonds and their transfer and the income therefrom shall be exempt from all taxation within
178 the state. Such bonds are declared to be issued for an essential public and governmental
179 purpose.

180 **SECTION 9.**

181 Sale; price; proceeds.

182 The authority may sell revenue bonds in such manner and for such price as it may determine
183 to be in the best interest of the authority. The proceeds derived from the sale of revenue
184 bonds shall be used solely for the purpose provided in the resolutions and proceedings
185 authorizing the issuance of such revenue bonds.

186 **SECTION 10.**

187 Interim receipts and certificates or temporary bonds.

188 Prior to the preparation of any definitive revenue bonds, the authority may, under like
189 restrictions, issue interim receipts, interim certificates, or temporary revenue bonds, with or
190 without coupons, exchangeable for definitive revenue bonds upon the issuance of the latter.

191 **SECTION 11.**

192 Replacement of lost or mutilated bonds.

193 The authority may provide for the replacement of any revenue bonds or coupons which shall
194 become mutilated or be destroyed or lost.

195 **SECTION 12.**

196 Conditions precedent to issuance.

197 The authority shall adopt a resolution authorizing the issuance of the revenue bonds. In the
198 resolution, the authority shall determine that the project financed with the proceeds of the
199 revenue bonds is self-liquidating. Revenue bonds may be issued without any other
200 proceedings or the happening of any other conditions or things other than those proceedings,
201 conditions, and things which are specified or required by this Act. Any resolution providing
202 for the issuance of revenue bonds under the provisions of this Act shall become effective
203 immediately upon its passage and need not be published or posted, and any such resolution
204 may be passed at any regular or special or adjourned meeting of the authority by a majority
205 of its members.

206 **SECTION 13.**

207 Credit not pledged.

208 Revenue bonds of the authority shall not be deemed to constitute a debt of the City of Rome,
209 Georgia, nor a pledge of the faith and credit of said city, but such revenue bonds shall be
210 payable solely from the fund hereinafter provided for. The issuance of such revenue bonds
211 shall not directly, indirectly, or contingently obligate said city to levy or to pledge any form
212 of taxation whatsoever for payment of such revenue bonds or to make any appropriation for
213 their payment, and all such revenue bonds shall contain recitals on their face covering
214 substantially the foregoing provisions of this section. Notwithstanding the foregoing
215 provisions, this Act shall not affect the ability of the authority and said city to enter into an

216 intergovernmental contract pursuant to which said city agrees to pay amounts sufficient to
217 pay operating charges and other costs of the authority or any project including, without
218 limitation, the principal of and interest on revenue bonds in consideration for services or
219 facilities of the authority.

220 **SECTION 14.**

221 Trust indenture as security.

222 In the discretion of the authority, any issuance of revenue bonds may be secured by a trust
223 indenture by and between the authority and a corporate trustee, which may be any trust
224 company or bank having the powers of a trust company within or outside the state. Either
225 the resolution providing for the issuance of the revenue bonds or such trust indenture may
226 contain such provisions for protecting and enforcing the rights and remedies of the
227 bondholders as may be reasonable and proper and not in violation of law, including
228 covenants setting forth the duties of the authority in relation to the acquisition and
229 construction of the project, the maintenance, operation, repair, and insuring of the project,
230 and the custody, safeguarding, and application of all moneys.

231 **SECTION 15.**

232 To whom proceeds of bonds shall be paid.

233 In the resolution providing for the issuance of revenue bonds or in the trust indenture, the
234 authority shall provide for the payment of the proceeds of the sale of the revenue bonds to
235 any officer or person who, or any agency, bank, or trust company which, shall act as trustee
236 of such funds and shall hold and apply the same to the purposes thereof, subject to such
237 regulations as this Act and such resolution or trust indenture may provide.

238 **SECTION 16.**

239 Sinking fund.

240 The moneys received pursuant to an intergovernmental contract and the revenues, fees, tolls,
241 fines, charges, and earnings derived from any particular project or projects, regardless of
242 whether or not such revenues, fees, tolls, fines, charges, and earnings were produced by a
243 particular project for which revenue bonds have been issued, unless otherwise pledged and
244 allocated, may be pledged and allocated by the authority to the payment of the principal and
245 interest on revenue bonds of the authority as the resolution authorizing the issuance of the
246 revenue bonds or the trust indenture may provide. Such funds so pledged from whatever

247 source received shall be set aside at regular intervals as may be provided in the resolution or
 248 trust indenture into a sinking fund, which sinking fund shall be pledged to and charged with
 249 the payment of:

- 250 (1) The interest upon such revenue bonds as the same shall fall due;
- 251 (2) The principal or purchase price of such revenue bonds as the same shall fall due;
- 252 (3) Any premium upon such revenue bonds as the same shall fall due;
- 253 (4) The purchase of such revenue bonds in the open market; and
- 254 (5) The necessary charges of the paying agent for paying principal and interest.

255 The use and disposition of such sinking fund shall be subject to such regulations as may be
 256 provided in the resolution authorizing the issuance of the revenue bonds or in the trust
 257 indenture, but, except as may otherwise be provided in such resolution or trust indenture,
 258 such sinking fund shall be maintained as a trust account for the benefit of all revenue bonds
 259 without distinction or priority of one over another.

260 **SECTION 17.**

261 Remedies of bondholders.

262 Any holder of revenue bonds and the trustee under the trust indenture, if any, except to the
 263 extent the rights given in this Act, may be restricted by resolution passed before the issuance
 264 of the revenue bonds or by the trust indenture, may, either at law or in equity, by suit, action,
 265 mandamus, or other proceedings, protect and enforce any and all rights under the laws of the
 266 state, including specifically but without limitation, the "Revenue Bond Law," or granted
 267 under this Act or under such resolution or trust indenture, and may enforce and compel
 268 performance of all duties required by this Act or by such resolution or trust indenture to be
 269 performed by the authority or any officer thereof, including the fixing, charging, and
 270 collecting of revenues, fees, tolls, fines, and other charges for the use of the facilities and
 271 services furnished.

272 **SECTION 18.**

273 Validation.

274 Revenue bonds and the security therefor shall be confirmed and validated in accordance with
 275 the procedure of the "Revenue Bond Law." The petition for validation shall also make party
 276 defendant to such action the state and any institution, department, or other agency of the state
 277 and any county, municipality, school district, or other political subdivision or authority of the
 278 state which has contracted with the authority for services or facilities relating to the project
 279 for which revenue bonds are to be issued and sought to be validated. Such defendant shall

280 be required to show cause, if any exists, why such contract or contracts shall not be
281 adjudicated as a part of the basis for the security for the payment of any such revenue bonds.
282 The revenue bonds, when validated, and the judgment of validation shall be final and
283 conclusive with respect to such revenue bonds and the security for the payment thereof and
284 interest thereon and against the authority and all other defendants.

285 **SECTION 19.**

286 Venue and jurisdiction.

287 Any action to protect or enforce any rights under the provisions of this Act or any suit or
288 action against such authority shall be brought in the Superior Court of Floyd County,
289 Georgia, and any action pertaining to validation of any revenue bonds issued under the
290 provisions of this Act shall likewise be brought in said court which shall have exclusive,
291 original jurisdiction of such actions.

292 **SECTION 20.**

293 Interest of bondholders protected.

294 While any of the revenue bonds issued by the authority remain outstanding, the powers,
295 duties, or existence of said authority or its officers, employees, or agents shall not be
296 diminished or impaired in any manner that will affect adversely the interests and rights of the
297 holders of such revenue bonds, and no other entity, department, agency, or authority shall be
298 created which will compete with the authority to such an extent as to affect adversely the
299 interest and rights of the holders of such revenue bonds nor shall the state itself so compete
300 with the authority. The provisions of this Act shall be for the benefit of the authority and the
301 holders of any such revenue bonds and, upon the issuance of such revenue bonds under the
302 provisions of this Act, shall constitute a contract with the holders of such revenue bonds.

303 **SECTION 21.**

304 Moneys received considered trust funds.

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

308 **SECTION 22.**

309 Purpose of the authority.

310 Without limiting the generality of any provision of this Act, the general purpose of the
311 authority is declared to be that of providing buildings, facilities, equipment, and services for
312 the citizens in the City of Rome, Georgia, but only to the extent that such building, facilities,
313 equipment, and services constitute a project.

314 **SECTION 23.**

315 Rates, charges, and revenues; use.

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

322 **SECTION 24.**

323 Rules, regulations, service policies, and procedures for operation of projects.

324 It shall be the duty of the authority to prescribe rules, regulations, service policies, and
325 procedures for the operation of any project or projects constructed or acquired under the
326 provisions of this Act. The authority may adopt bylaws.

327 **SECTION 25.**

328 Tort immunity.

329 To the extent permitted by law, the authority shall have the same immunity and exemption
330 from liability for torts and negligence as the City of Rome, Georgia; and the officers, agents,
331 and employees of the authority when in the performance of the work of the authority shall
332 have the same immunity and exemption from liability for torts and negligence as the officers,
333 agents, and employees of the City of Rome, Georgia, when in the performance of their public
334 duties or work of the city.

335 **SECTION 26.**

336 Tax-exempt status of authority.

337 The properties of the authority, both real and personal, are declared to be public properties
338 used for the benefit and welfare of the people of the state and not for purposes of private or
339 corporate benefit and income, and such properties and the authority shall be exempt from all
340 taxes and special assessments of any municipality or county or the state or any political
341 subdivision thereof.

342 **SECTION 27.**

343 Effect on other governments.

344 This Act shall not and does not in any way take from the City of Rome, Georgia, or any
345 county or municipality the authority to own, operate, and maintain facilities or to issue
346 revenue bonds as provided by the "Revenue Bond Law."

347 **SECTION 28.**

348 Liberal construction of Act.

349 This Act, being for the welfare of various political subdivisions of the state and its
350 inhabitants, shall be liberally construed to effect the purposes hereof.

351 **SECTION 29.**

352 General repealer.

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