

House Bill 1478

By: Representatives Blackmon of the 146th, Beverly of the 143rd, Williams of the 148th,
Dickey of the 145th, Hatchett of the 155th, and others

A BILL TO BE ENTITLED
AN ACT

1 To create the Mid-State Energy Authority as an institution performing an essential
2 governmental function; to provide for a short title; to provide for definitions; to provide for
3 purpose; to provide for members of the Authority and meetings; to provide for powers of the
4 Authority; to provide that the Authority replaces the Commission; to provide for the transfer
5 of contracts, property, and employees; to authorize the issuance of revenue bonds of the
6 Authority; to provide for funds received and trust funds; to provide for venue and
7 jurisdiction; to provide for imposition of rates, charges, fees, and the pledge of revenues; to
8 provide for tax exemption of Authority property; to provide for tort immunity; to provide
9 contracting requirements; to provide for supplemental powers; to deny taxing powers; to
10 provide for construction and severability; to provide for related matters; to repeal conflicting
11 laws; and for other purposes.

12 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

13 **SECTION 1.**

14 Short title.

15 This Act shall be known and may be cited as the "Mid-State Energy Authority Act."

H. B. 1478

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SECTION 2.

Mid-State Energy Authority; creation.

18 There is hereby created a public body corporate and politic to be known as the "Mid-State
19 Energy Authority," which shall be a political subdivision of the State of Georgia, an
20 instrumentality of the State of Georgia, and a public corporation performing an essential
21 government function, and by that name, style, and title such body may contract and be
22 contracted with, sue and be sued, implead and be impleaded, and complain and defend in all
23 courts of law and equity. The Authority, however, shall not be a State institution nor a
24 department or agency of the State but shall be an instrumentality of the State, a mere creature
25 of the State, being a distinct corporate entity and being exempt from Article 2 of O.C.G.A.
26 50-17. The Authority shall have perpetual existence. All property owned by such
27 corporation shall be public property held and owned for governmental purposes and shall be
28 exempt from taxation as provided by law.

SECTION 3.

Definitions.

31 As used in this Act, the following words and terms shall have the following meanings unless
32 the context clearly indicates otherwise:

33 (1) "Authority" means the Mid-State Energy Authority hereby created and any successor
34 or successors thereto. Any change in name or composition of the Authority shall in no
35 way affect the vested rights of any person under the provisions of this Act or impair the
36 obligations of any contracts existing under this Act.

37 (2) "Cities" means, collectively, the City of Byron, Georgia, the City of Cochran,
38 Georgia, the City of Hawkinsville, Georgia, the City of Perry, Georgia, and the City of
39 Warner Robins, Georgia.

40 (3) "Cost of the project" or "cost of construction" means all costs of construction; all
41 costs of real and personal property required for the purpose of such project and facilities
42 related thereto, including land and any leases, rights or undivided interests therein,
43 easements, franchises, water rights, fees, permits, approvals, licenses, and certificates,
44 and the securing of such permits, approvals, licenses, and certificates and the preparation
45 of applications therefor, and including all machinery and equipment, including equipment
46 for use in connection with such construction; financing charges; working capital; interest
47 prior to and during construction and during such additional period as the Authority may
48 determine; operating expenses during such period as the Authority may determine; costs
49 of engineering, architectural, and legal services; costs of plans and specifications and all
50 expenses necessary or incidental to determining the feasibility or practicability of the
51 project; costs of insurance or of self-insuring any project; administrative expenses;
52 amounts payable under any judgment against the Authority; disposal costs; all costs
53 associated with acquiring contract rights or other contractual arrangements for the
54 short-term or long-term provisions of gas supplies, including reserves, transmission,
55 storage, peaking, or other services associated therewith, including prepayments for such;
56 and such other expenses as may be necessary or incidental to the financing herein
57 authorized. All funds paid or advanced for any of the purposes mentioned in this
58 paragraph by political subdivisions contracting with the Authority prior to the issuance
59 of any of the Authority's bonds or notes may be refunded to such political subdivisions
60 out of the proceeds of any bonds or notes so issued. The costs of any project may also
61 include a fund or funds for the creation of a debt service reserve, a renewal and
62 replacement reserve, and such other reserves as may be reasonably required by the
63 Authority for the operation of its projects and as may be authorized by any bond
64 resolution or trust agreement or indenture pursuant to the provisions of which the
65 issuance of any such bonds may be authorized. Any obligation or expense incurred for
66 any of the purposes mentioned in this paragraph shall be regarded as a part of the cost of

67 the project and may be paid or reimbursed as such out of the proceeds of revenue bonds
68 or notes issued under the provision of this Act for such project. The term "cost of the
69 project" is intended to include all costs associated with acquiring contract rights or other
70 contractual arrangements for the short-term or long-term provision of gas supplies,
71 including reserves, transmission, storage, peaking, or other services associated therewith,
72 including prepayments for such and any hedging or similar agreements.

73 (4) "Gas" means either natural or synthetic gas, including propane, manufactured,
74 methane from coal beds, geothermal gas, or any mixture thereof, whether in gaseous or
75 liquid form, or any byproduct resulting therefrom.

76 (5) "JONG" means Jointly Owned Natural Gas, a partnership created by written
77 agreement between the City of Cochran, Georgia, the City of Hawkinsville, Georgia, the
78 City of Perry, Georgia, and the City of Warner Robins, Georgia on or about
79 January 15, 1953, as amended from time to time.

80 (6) "MSEC" means Mid-State Energy Commission, a joint utility commission created
81 as successor of JONG by charter amendments of the City of Byron, Georgia, the City of
82 Cochran, Georgia, the City of Hawkinsville, Georgia, the City of Perry, Georgia, and the
83 City of Warner Robins, Georgia pursuant to their home rule powers granted pursuant to
84 Article IX, Section II, Paragraph II of the Constitution of the State of Georgia and
85 O.C.G.A. Sections 36-35-1 through 36-35-7. When referred to collectively herein, JONG
86 and MSEC shall be the "Commission."

87 (7) "Project," "undertaking," or "facility" means any plant, works, system, facility, and
88 real and personal property of any nature whatsoever, together with all parts thereof and
89 appurtenances hereto, and any contract rights, relating to the storage, acquisition,
90 exploration, production, distribution, enrichment, transmission, purchase, sale, exchange,
91 or interchange of gas and relating to the acquisition, extraction, conversion,
92 transportation, storage, or reprocessing of fuel of any kind for any such purposes, or any
93 interest in, or right to the use, services, enrichment, output, or capacity of any such plant,

94 works, system, or facilities so as to assure an adequate natural gas utility system deemed
95 by the Authority necessary or convenient for the efficient operation of such type of
96 project or undertaking. "Project" or "undertaking" as used in this paragraph is intended
97 to include acquiring contract rights and other contractual arrangements for the short-term
98 or long-term provision of gas supplies, as well as tangible property.

99 (8) "Revenue bonds" and "bonds," as used in this Act, means revenue bonds as defined
100 and provided for in Article 3 of Chapter 82 of Title 36 of the O.C.G.A., known as the
101 "Revenue Bond Law," as amended, and such type of obligations may be issued by the
102 Authority as authorized under the "Revenue Bond Law" and, in addition, shall also mean
103 obligations of the Authority, the issuance of which are hereinafter specifically provided
104 for in this Act.

105 (9) "Service delivery area" means any area within or without the Cities, includes without
106 limitation, the area served jointly by the Cities or by JONG, and all other areas to the
107 extent such areas are not currently served by another gas utility.

108 (10) "State" means the State of Georgia.

109 **SECTION 4.**

110 **Purpose.**

111 Without limiting the generality of any provisions of this Act, the general purpose of the
112 Authority is declared to be that of effecting projects that benefit the Cities, including, without
113 limitation, acquiring an adequate source or sources of natural gas and thereafter the
114 distribution of same to the natural gas systems of current and future customers; but such
115 general purpose shall not restrict the Authority from selling and delivering natural gas
116 directly to consumers in those areas whether neither any county nor any municipality deems
117 it desirable or feasible to furnish natural gas; nor shall it restrict the Authority from selling

118 and delivering natural gas to counties which do not adjoin the Cities or to municipalities
119 located therein. The Authority is intended to replace JONG and MSEC.

120 **SECTION 5.**

121 Members.

122 (a) The Authority shall be governed by a board that shall consist of five members, who shall
123 be determined and selected as follows:

- 124 (1) The Mayor or a person appointed by the Mayor of the City of Byron, Georgia;
125 (2) The Mayor or a person appointed by the Mayor of the City of Cochran, Georgia;
126 (3) A person appointed by the City Commission of the City of Hawkinsville, Georgia;
127 (4) The Mayor or a person appointed by the Mayor of the City of Perry, Georgia; and
128 (5) The Mayor or a person appointed by the Mayor of the City of Warner Robins,
129 Georgia.

130 (b) The members shall serve at the pleasure of the respective appointing Mayor or City
131 Commission and each Mayor or City Commission shall have the right and authority to
132 remove any member from the Authority and to appoint replacements as may be required to
133 fill vacancies.

134 (c) No person shall hold the office of the Authority member if that person is ineligible for
135 such office pursuant to O.C.G.A. § 45-2-1 or any other general law.

136 (d) Three members of the Authority shall constitute a quorum, and no vacancy on the
137 Authority shall impair the right of the quorum to exercise all the rights and perform all the
138 duties of the Authority and, in every instance, a majority vote of a quorum shall authorize
139 any legal act of the Authority, including all things necessary to authorize and issue revenue
140 bonds.

141 (e) The Authority shall elect one of its members as chairman and another as vice chairman,
142 and shall elect a secretary-treasurer and an assistant secretary-treasurer, each of whom shall

143 be elected from the membership of the Authority. Such officers shall serve for such terms
144 as shall be prescribed by the resolution of the Authority or until their successors are elected
145 and qualified.

146 (f) The members of the Authority shall each be entitled to compensation for their services
147 at a rate periodically reviewed and set by the Authority, payable monthly. All such
148 compensation payable by the Authority shall be in addition to any compensation otherwise
149 payable to any member of the Authority by any municipality or county by virtue of any
150 municipal or county elective office held by such member. All members shall be reimbursed
151 by the Authority for their actual expenses necessarily incurred in the performance of their
152 duties. No reimbursement or payment shall be made by the Authority for travel, meal, or
153 entertainment expenses for members of the Authority unless on each occasion the incurring
154 of such expenses for the same are approved in advance by the Authority at one of its public
155 meetings.

156 (g) Any change in name or composition of the Authority shall in no way affect the vested
157 rights of any person under the provisions of this Act or impair the obligations of any
158 contracts existing under this Act.

159 **SECTION 6.**

160 **General powers.**

161 The Authority shall have all the powers necessary or convenient to carry out and effectuate
162 the purpose and provisions of this Act, including, but without limiting the generality of the
163 foregoing, the power:

- 164 (1) To provide natural gas services within the service delivery area in the same manner
165 as such services are provided by the Cities on the effective date of this Act;
- 166 (2) To sue and be sued and to complain and defend in all courts of law and equity;
- 167 (3) To have a seal and alter the same at pleasure;

- 168 (4) To acquire by purchase, lease, or otherwise, and to hold, lease, and dispose of real
169 and personal property of every kind and character for its corporate purposes;
- 170 (5) To acquire in its own name by purchase, on such terms and conditions and in such
171 manner as it may deem proper, or by condemnation in accordance with the provisions of
172 any and all existing laws applicable to the condemnation of property for public use, real
173 property or rights of easements therein or franchises necessary or convenient for its
174 corporate purposes, and to use the same so long as its corporate existence shall continue
175 and to lease or make contracts with respect to the use of or dispose of the same in any
176 manner it deems to the best advantage of the Authority, the Authority being under no
177 obligation to accept and pay for any property condemned under this Act except from the
178 funds provided under the authority of this Act, and in any proceedings to condemn, such
179 orders may be made by the court having jurisdiction of the suit, action or proceedings as
180 may be just to the Authority and to the owners of the property to be condemned, and no
181 property shall be acquired under the provision of this Act on which any lien or other
182 encumbrance exists, unless at the time such property is so acquired a sufficient sum of
183 money be deposited in trust to pay and redeem the fair value of such lien or encumbrance;
- 184 (6) To appoint, select, and employ officers, agents, and employees, including
185 engineering, architectural, and construction experts, fiscal agents, and attorneys, and fix
186 their respective compensations;
- 187 (7) To make contracts and leases and to execute all instruments necessary or convenient,
188 including contracts for construction of projects and leases of projects or contracts with
189 respect to the use of projects which it causes to be erected or acquired, and any and all
190 persons, firms, and corporations and any and all political subdivisions, departments,
191 institutions, or agencies of the State are hereby authorized to enter into contracts, leases,
192 or agreements with the Authority upon such terms and for such purposes as they deem
193 advisable; and without limiting the generality of the above, the authority is specifically
194 granted to municipal corporations and counties and to the Authority to enter into

195 contracts, lease agreements, or other undertakings relative to the furnishing of natural gas
196 and related services and facilities by the Authority to such municipal corporations and
197 counties for a term not exceeding 50 years, including, but not limited to, the operation
198 and maintenance of natural gas systems owned by the Cities. This power includes the
199 making of contracts for the construction of projects, which contracts for construction may
200 be made either as sole owner of the project or as owner, in common with other public or
201 private persons, of any divided or undivided interest therein; and is further intended to
202 include, without limitation, the making of contracts for the purchase, sale, exchange,
203 interchange, pooling, transmission, distribution, or storage of gas and fuel of any kind for
204 any such purposes, inside and outside the State of Georgia, in such amounts as it shall
205 determine to be necessary and appropriate to make the most effective use of its powers
206 and to meet its responsibilities, on such terms and for such period of time, not
207 exceeding 50 years, as the Authority shall determine; and is further intended to include,
208 without limitation, the making of contracts for furnishing gas supply, development
209 services, and management services to political subdivisions contracting with the
210 Authority;

211 (8) To construct, erect, acquire, own, repair, remodel, maintain, add to, extend, improve,
212 equip, operate, and manage projects, as hereinabove defined; the cost of any such project
213 to be paid in whole or in part from the proceeds of revenue bonds of the Authority or
214 from such proceeds and any grant from the United States of America or any agency or
215 instrumentality thereof;

216 (9) To accept, receive, and administer gifts, grants, appropriations, donations of money,
217 materials, and property of any kind, including loans and grants from the United States of
218 America or the State of Georgia or any agency or instrumentality thereof, upon such
219 terms and conditions as the United States of America, the State of Georgia, or such
220 agency or instrumentality may impose;

221 (10) To borrow money for any of its corporate purposes and to issue revenue bonds as
222 hereinafter provided in evidence of its indebtedness incurred with respect to the powers
223 above described payable from the revenues, receipts, and earnings of the projects of the
224 Authority and other available funds thereof; to execute trust agreements or indentures;
225 to sell, convey, pledge, and assign any and all of its funds, assets, property, and income
226 as security for the payment of such revenue bonds and to provide payment of the same
227 and for the rights of the owners thereof;

228 (11) To invest any accumulation of its funds and any sinking funds or reserves in any
229 manner that public funds of the State of Georgia or its political subdivisions may be
230 invested and to purchase its own bonds and notes; and

231 (12) To do any and all things necessary or proper for the accomplishment of the
232 objectives of this Act and any amendments hereto and to exercise any power usually
233 possessed by private corporations performing similar functions which is not in conflict
234 with the Constitution and laws of this State, including employment of professional and
235 administrative staff and personnel and retaining of legal, engineering, and other
236 professional services, the purchasing of all kinds of insurance including, without
237 limitation, insurance against tort liability and against risks of damage to property,
238 including the power to borrow money for any of the corporate purposes of the Authority;
239 provided, however, that obligations of the Authority other than revenue bonds, for which
240 provision is herein made, shall be payable from the general funds of the Authority and
241 shall not be a charge against any special fund allocated to the payment of revenue bonds,
242 and including the power to indemnify and hold harmless any parties contracting with the
243 Authority or its agents from damage to person or property and the power to act as
244 self-insurer with respect to any loss or liability.

245

SECTION 7.

246

Authority replaces the Commission.

247 (a) Upon passage of this Act, the Authority is immediately created to replace the
248 Commission.

249 (b) Without limiting the foregoing provisions of this Act in any way, the Authority shall
250 have all the powers formerly granted to the Commission by the Cities.

251 (c) The Authority is hereby granted all powers necessary or convenient to construct, erect,
252 acquire, own, repair, remodel, maintain, add to, extend, improve, equip, operate and manage
253 any real or personal property owned by the Commission, to assume any liabilities of the
254 Commission, and to assume any contracts made by the Commission.

255 (d) Nothing herein shall require any agreement or additional action by the Cities for the
256 creation of the Authority.

257

SECTION 8.

258

Transfer of contracts, property, and employees.

259 (a) Upon adoption of an approving ordinance by each of the Cities and following passage
260 of this Act, all assets, contracts, employees, interests, liabilities, and real or personal property
261 of the Commission, whether originating or held through JONG or MSEC, will be conveyed
262 and transferred to the Authority; and all transferred contracts, agreements, liabilities, and
263 obligations between the Commission with each of the Cities are reaffirmed and ratified.

264 (b) Nothing herein shall require any agreement; and the Cities at their discretion may retain
265 any employees, and then allow such employees to work for Authority under contract.

266 (c) If the Authority shall deem it expedient to construct any project on real property which
267 is subject to the control of one of the Cities, such City may convey such real property to the

268 Authority for such consideration as may be agreed upon by the Authority and the City, taking
269 into consideration the public benefit to be derived from such conveyance.

270 **SECTION 9.**

271 Revenue bonds.

272 The Authority shall have power and is authorized, pursuant to the Revenue Bond Law, to
273 provide by resolution for the issuance of revenue bonds of the Authority for the purpose of
274 paying all or any part of the costs of a project and for the purpose of refunding revenue bonds
275 or other obligations previously issued. Revenue bonds shall be undertaken, issued, priced,
276 validated, sold, paid, redeemed, refunded, secured, and replaced in accordance with the
277 provisions of the Revenue Bond Law. The principal of and interest on such revenue bonds
278 shall be payable solely from such part of the revenues and earnings of a project or projects
279 as may be designated in the resolution of the Authority authorizing the issuance of such
280 revenue bonds.

281 **SECTION 10.**

282 Revenue bonds; conditions precedent to issuance.

283 The Authority shall adopt a resolution authorizing the issuance of the revenue bonds. In the
284 resolution, the Authority may determine that the project financed with the proceeds of such
285 revenue bonds is self-liquidating. Revenue bonds may be issued without any other
286 proceedings or the happening of any other conditions or things other than those proceedings,
287 conditions, and things which are specified or required by this Act. Any resolution providing
288 for the issuance of revenue bonds under the provisions of this Act shall become effective
289 immediately upon its passage and need not be published or posted, and any such resolution

290 may be passed at any regular, special, or adjourned meeting of the Authority by a majority
291 of its members present and voting.

292 **SECTION 11.**

293 Credit not pledged.

294 Neither the revenue bonds nor notes issued under provisions of this Act nor the instruments
295 evidencing the obligations which constitute the security therefor shall constitute a debt or a
296 loan or pledge of the faith and credit of the State of Georgia or of any political subdivision
297 thereof, other than the Authority, but such bonds and notes shall be payable from the
298 revenues of the Authority as provided in the resolutions or trust agreements or indentures
299 authorizing or securing the issuance and payment of such bonds or notes. The issuance of
300 such bonds or notes shall not obligate the State or any political subdivision thereof, other
301 than the Authority, nor shall any such bond or note constitute a charge, lien, or encumbrance,
302 legal or equitable, upon any such property. Notwithstanding the foregoing provisions, this
303 Act shall not affect the ability of the Authority and a political subdivision or municipal
304 corporation of the State from entering into an intergovernmental contract pursuant to which
305 the political subdivision or municipal corporation agrees to pay amounts sufficient to pay
306 operating charges and other costs of the Authority or any project, including, without
307 limitation, the principal of and interest on revenue bonds, in consideration for services or
308 facilities of the Authority.

309 **SECTION 12.**

310 Revenue bonds; trust indenture as security.

311 In the discretion of the Authority, any issue of revenue bonds may be secured by a trust
312 agreement or indenture made by the Authority with a corporate trustee which may be any

313 trust company or bank having the powers of a trust company within or without the State.
314 Such trust agreement or indenture may pledge or assign all revenues, receipts, and earnings
315 to be received by the Authority and any proceeds which may be derived from the disposition
316 of any real or personal property of the Authority or proceeds of insurance carried thereon.
317 The resolution providing for the issuance of revenue bonds and such trust agreement or
318 indenture may contain provisions for protecting and enforcing the rights and remedies of the
319 bond owners, including the right of appointment of a receiver upon default in the payment
320 of any principal or interest obligation and the right of any receiver or trustee to enforce
321 collection of contractual rights, rates, fees, tolls, charges, or revenues for the use of the
322 services or facilities of the project necessary to pay all costs of operation and all reserves
323 provided for, the principal of and interest on all bonds in the issue, all costs of collection, and
324 all other costs reasonably necessary to accomplish the collection of such sums in the event
325 of any default of the Authority. Such resolution and trust agreement or indenture may
326 include covenants setting forth the duties of the Authority in relation to the acquisition of
327 property for and construction of the project and to the custody, safeguarding, and application
328 of all funds of the Authority, including any proceeds derived from the disposition of any real
329 or personal property of the Authority or proceeds of insurance carried thereon, and covenants
330 providing for the operation, maintenance, repair, and insurance of the project and may
331 contain provisions concerning the conditions, if any, upon which additional bonds may be
332 issued. Such resolution and trust agreement or indenture may set forth the rights and
333 remedies of the bond owners and of the trustee and may restrict the individual right of action
334 of any bond owner as is customary in securing bonds and debentures of corporations and
335 may contain such other provisions as the Authority may deem reasonable and proper for the
336 security of the bond owners. All expenses incurred in carrying out such trust may be treated
337 as part of the cost of maintenance, operation, and repair of the project affected by such trust.

338 **SECTION 13.**

339 Revenue bonds; interest rate or rates; negotiability; exemption from taxes.

340 All revenue bonds shall have and are hereby declared to have all the qualities and incidents
341 of negotiable instruments under the laws of the State. The interest rate or rates to be borne
342 by any revenue bonds or other obligations of the Authority shall be fixed by the board of the
343 Authority. Any limitations with respect to interest rates found in Article 3 of Chapter 82 of
344 Title 36 of the O.C.G.A. or the usury laws of this State shall not apply to revenue bonds
345 issued under this Act. All revenue bonds, their transfer, and the income therefrom shall be
346 exempt from all taxation within the State.

347 **SECTION 14.**

348 Trust indenture as security; remedies of bondholders.

349 Any owner of revenue bonds and the trustee under the trust indenture, if any, except to the
350 extent that the rights given herein may be restricted by resolution passed before the issuance
351 of the revenue bonds or by the trust indenture, may, either at law or in equity, by suit, action,
352 mandamus, or other proceedings, protect and enforce any and all rights it may have under
353 the laws of the State, including specifically, but without limitation, the Revenue Bond Law,
354 or granted hereunder or under such resolution or trust indenture and may enforce and compel
355 performance of all duties required by this Act or by such resolution or trust indenture to be
356 performed by the Authority or any officer thereof, including the fixing, charging, and
357 collecting of revenues, fees, tolls, fines, and other charges for the use of the facilities and
358 services furnished, and the enforcement of any contract.

359 **SECTION 15.**

360 To whom proceeds of bonds shall be paid.

361 In the resolution providing for the issuance of revenue bonds or in the trust indenture, the
362 Authority shall provide for the payment of the proceeds of the sale of the revenue bonds to
363 any officer or person who, or any agency, bank, or trust company which, shall act as trustee
364 of such funds and shall hold and apply the same to the purposes thereof, subject to such
365 regulations as this Act and such resolution or trust indenture may provide.

366 **SECTION 16.**

367 Sinking fund.

368 All or any part of the gross or net revenues and earnings derived from any particular project
369 or projects and any and all revenues and earnings received by the Authority, regardless of
370 whether or not such revenues and earnings were produced by a particular project for which
371 bonds have been issued, may be pledged by the Authority to the payment of the principal of
372 and interest on revenue bonds of the Authority as may be provided in any resolution
373 authorizing the issuance of such bonds or in any trust instrument pertaining to such bonds.
374 Such funds so pledged, from whatever source received, may include funds received from one
375 or more or all sources and may be set aside at regular intervals into a sinking fund for which
376 provision may be made in any such resolution or trust instrument, which sinking funds may
377 be pledged to and charged with the payment of:

- 378 (1) The interest upon such revenue bonds as such interest shall become due;
379 (2) The principal of the bonds as the same shall mature;
380 (3) The necessary charges of any trustee or paying agent or registrar for such bonds; and
381 (4) Any premium upon bonds retired upon call or purchase.

382 The use and disposition of any sinking fund may be subject to such regulations for which
383 provisions may be made in the resolution authorizing the issuance of the bonds or in the trust
384 instrument or indenture, but, except as may otherwise be provided in such resolution or trust
385 instrument or indenture, such sinking fund shall be maintained as a trust account for the
386 benefit of all revenue bonds without distinction or priority of one over another.

387 **SECTION 17.**

388 Interest of bondholders protected.

389 While any of the bonds or notes issued by the Authority shall remain outstanding, the
390 powers, duties, or existence of the Authority or its officers, employees, or agents shall not
391 be diminished or impaired in any manner that will affect adversely the interests and rights
392 of the owners of such bonds or notes; and no other entity, department, agency, or authority
393 shall be created to compete with the Authority so as to affect adversely the interests and
394 rights of the owners of such bonds or notes. The provisions of this Act shall be for the
395 benefit of the Authority and every owner of the Authority's bonds and notes and, upon and
396 after the issuance of bonds or notes under the provisions of this Act, shall constitute an
397 irrevocable contract by the authority with the owners of such bonds and notes.

398

SECTION 18.

399

Funds received considered trust funds.

400 All funds received pursuant to the authority of this Act, whether as proceeds from the sale
401 of revenue bonds or as contractual payments, revenues, fees, tolls, charges, or other earnings
402 or as gifts, grants, or other contributions, shall be deemed to be trust funds to be held and
403 applied solely as provided in this Act. The bond owners are entitled to receive the benefits
404 of such funds until applied as provided in any such resolution, trust agreement, or indenture
405 of the Authority.

406

SECTION 19.

407

Venue; jurisdiction; service.

408 The principal office of the Authority shall be in Peach County, Georgia, and unless otherwise
409 provided in general law, the venue of any action against it shall be in Peach County. Any
410 action pertaining to the validation of any bonds issued under the provisions of this Act or the
411 validation of any contract entered into by the Authority shall be brought by the district
412 attorney of Peach County, a complaint directed to the Superior Court of Peach County in the
413 name of the State and against the Authority in the Superior Court of Peach County, and such
414 court shall have exclusive original jurisdiction of such actions. Service upon the Authority
415 of any process, subpoena, or summons shall be effected by serving the same personally upon
416 any officer of the Authority.

417 **SECTION 20.**

418 Imposition of rates, charges, fees, pledge of revenues, and exemption from regulation by
419 the Georgia Public Service Commission.

420 The Authority is hereby authorized to prescribe, fix, and collect rates, fees, tolls, or charges,
421 and to revise from time to time and collect such rates, fees, tolls, or charges for the services,
422 facilities, or commodities furnished, and is authorized to enter into contracts relating to the
423 provision of gas supplies including any hedging or similar agreements, and in anticipation
424 of the collection of the revenues of such undertaking or project, to issue revenue bonds as
425 herein provided to finance in whole or in part the cost of the acquisition, construction,
426 reconstruction, improvement, betterment, or extension of the natural gas utility system and
427 the provision of gas supplies including any hedging or similar agreements, and to pledge to
428 the punctual payment of said bonds and interest thereon, all or any part of the revenues of
429 such undertaking or project, including the revenues of improvements, betterments, or
430 extensions thereto thereafter made and contractual payments. The Authority shall be exempt
431 from regulation by the Georgia Public Service Commission and will be treated in all respects
432 like a municipality for purposes of law or regulation related directly to natural gas
433 distribution facilities and service.

434 **SECTION 21.**

435 Tax exemption of Authority properties.

436 The properties of the Authority, both real and personal, are declared to be public properties
437 used for the benefit and welfare of the people of the State of Georgia, and not for purposes
438 of private or corporate benefit and income, and such properties and the Authority as provided
439 by general law shall be exempt from all taxes and special assessments of any city, county,
440 or the state or any political subdivision thereof.

441 **SECTION 22.**

442 Immunity from tort actions.

443 To the extent permitted by law, the Authority shall have the same immunity and exemption
444 from liability for torts and negligence as a municipality; and the officers, agents, and
445 employees of the Authority when in the performance of the work of the Authority shall have
446 the same immunity and exemption from liability for torts and negligence as the officers,
447 agents, and employees of a municipality when in the performance of their public duties or
448 work of the municipality.

449 **SECTION 23.**

450 Contracts.

451 The Authority may be sued the same as any private corporations on any contractual
452 obligation of the Authority, so long as the contractual obligation is set forth in a writing,
453 approved by the board of the Authority during a meeting, and entered into the minutes of the
454 board.

455 **SECTION 24.**

456 Property not subject to levy and sale.

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

458 **SECTION 25.**

459 Powers declared supplemental and additional.

460 This Act shall be deemed to provide an additional and alternative method of carrying out the
461 duties authorized hereby, shall be regarded as supplemental and additional to powers
462 conferred to the Cities by other laws, and shall not be regarded as being in derogation of any
463 powers now existing.

464 **SECTION 26.**

465 Authority without taxing power.

466 The Authority shall not have the power to levy, impose, or collect any tax on any person or
467 property.

468 **SECTION 27.**

469 Liberal construction of Act.

470 This Act, being for the welfare of various political subdivisions of the State and its
471 inhabitants, shall be liberally construed to effect the purposes hereof.

472 **SECTION 28.**

473 Severability; effect of partial invalidity of Act.

474 The provisions of this Act are severable, and if any of its provisions shall be held
475 unconstitutional by any court of competent jurisdiction, the decision of such court shall not
476 affect or impair any of the remaining provisions.

477

SECTION 29.

478

General repealer.

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