

House Bill 1478 (COMMITTEE SUBSTITUTE)

By: Representatives Blackmon of the 146th, Beverly of the 143rd, Williams of the 148th,
Dickey of the 145th, Ballard of the 147th, 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 (SUB)

SECTION 2.

Mid-State Energy Authority; creation.

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

SECTION 3.

Definitions.

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

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

(2) "Cities" means, collectively, the City of Byron, Georgia, the City of Cochran, Georgia, the City of Hawkinsville, Georgia, the City of Perry, Georgia, and the City of 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 the area in which the Cities are located on the effective
106 date of this Act, or the area in which the Authority in the future is authorized to provide
107 natural gas utility service according to the relevant county-wide safety plans for the
108 counties in which the Cities are authorized to operate on the effective date of this Act.

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

110 **SECTION 4.**

111 **Purpose.**

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

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

121 **SECTION 5.**

122 Members.

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

125 (1) The Mayor or a person appointed by the Mayor of the City of Byron, Georgia;

126 (2) The Mayor or a person appointed by the Mayor of the City of Cochran, Georgia;

127 (3) A person appointed by the City Commission of the City of Hawkinsville, Georgia;

128 (4) The Mayor or a person appointed by the Mayor of the City of Perry, Georgia; and

129 (5) The Mayor or a person appointed by the Mayor of the City of Warner Robins,
130 Georgia.

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

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

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

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

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

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

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

160 **SECTION 6.**

161 **General powers.**

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

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

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

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

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

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

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

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

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

246

SECTION 7.

247

Authority replaces the Commission.

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

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

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

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

258

SECTION 8.

259

Transfer of contracts, property, and employees.

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

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

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

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

271 **SECTION 9.**

272 Revenue bonds.

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

282 **SECTION 10.**

283 Revenue bonds; conditions precedent to issuance.

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

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

293 **SECTION 11.**

294 Credit not pledged.

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

310 **SECTION 12.**

311 Revenue bonds; trust indenture as security.

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

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

339 **SECTION 13.**

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

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

348 **SECTION 14.**

349 Trust indenture as security; remedies of bondholders.

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

360 **SECTION 15.**

361 To whom proceeds of bonds shall be paid.

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

367 **SECTION 16.**

368 Sinking fund.

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

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

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

388 **SECTION 17.**

389 Interest of bondholders protected.

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

399 **SECTION 18.**

400 Funds received considered trust funds.

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

405 of such funds until applied as provided in any such resolution, trust agreement, or indenture
406 of the Authority.

407 **SECTION 19.**

408 Venue; jurisdiction; service.

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

418

SECTION 20.

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

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

435

SECTION 21.

436 Tax exemption of Authority properties.

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

442

SECTION 22.

443

Immunity from tort actions.

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

450

SECTION 23.

451

Contracts.

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

456

SECTION 24.

457

Property not subject to levy and sale.

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

459 **SECTION 25.**

460 Powers declared supplemental and additional.

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

465 **SECTION 26.**

466 Authority without taxing power.

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

469 **SECTION 27.**

470 Liberal construction of Act.

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

473 **SECTION 28.**

474 Severability; effect of partial invalidity of Act.

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

478

SECTION 29.

479

General repealer.

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