

Senate Bill 218

By: Senators Fort of the 39th, Tate of the 38th, Orrock of the 36th, Davenport of the 44th and Millar of the 40th

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 44 of Title 36 and Code Section 36-80-16.1 of the Official Code of
2 Georgia Annotated, relating to redevelopment powers, and payments in lieu of taxes,
3 respectively, so as to revise provisions relating to payments in lieu of taxes; to provide for
4 related matters; to repeal conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 style="text-align:center">**SECTION 1.**

7 Chapter 44 of Title 36 of the Official Code of Georgia Annotated, the "Redevelopment
8 Powers Law," is amended in Code Section 36-44-3, relating to definitions, by revising
9 paragraph (8) as follows:

10 "(8) 'Redevelopment costs' means any expenditures made or estimated to be made or
11 monetary obligations incurred or estimated to be incurred to achieve the redevelopment
12 of a redevelopment area or any portion thereof designated by a redevelopment plan or any
13 expenditures made to carry out or exercise any powers granted by this chapter. Without
14 limiting the generality of the foregoing, redevelopment costs may include any one or
15 more of the following:

16 (A) Capital costs, including the costs incurred or estimated to be incurred for the
17 construction of public works or improvements, new buildings, structures, and fixtures,
18 including facilities owned or operated by school districts and systems; the renovation,
19 rehabilitation, reconstruction, remodeling, repair, demolition, alteration, or expansion
20 of existing buildings, structures, and fixtures, including facilities owned or operated by
21 school districts and systems; the acquisition of equipment; and the clearing and grading
22 of land;

23 (B) Financing costs, including, but not limited to, all necessary and incidental expenses
24 related to the issuance of obligations and which may include payment of interest on any
25 obligations issued under this chapter occurring during the estimated period of
26 construction of any project with respect to which any capital costs within the meaning
27 of subparagraph (A) of this paragraph are financed in whole or in part by such

28 obligations and for a period not to exceed 42 months after completion of any such
 29 construction and including reasonable reserves related thereto and all principal and
 30 interest paid to holders of evidences of indebtedness issued to pay for other
 31 redevelopment costs and any premium paid over the principal amount thereof because
 32 of the redemption of such obligations prior to maturity;

33 (C) Professional service costs, including those costs incurred for architectural,
 34 planning, engineering, financial, marketing, and legal advice and services;

35 (D) Imputed administrative costs, including reasonable charges for the time spent by
 36 public employees in connection with the implementation of a redevelopment plan;

37 (E) Relocation costs as authorized by a redevelopment plan for persons or businesses
 38 displaced by the implementation of a redevelopment plan, including but not limited to
 39 those relocation payments made following condemnation under Chapter 4 of Title 22,
 40 'The Georgia Relocation Assistance and Land Acquisition Policy Act';

41 (F) Organizational costs, including the costs of conducting environmental impact and
 42 other studies, and the costs of informing the public with respect to the creation and
 43 implementation of redevelopment plans;

44 (G) Payments to a political subdivision or board of education in lieu of taxes to
 45 compensate for any loss of tax revenues or for any capital costs incurred because of
 46 redevelopment activity; provided, however, that any such payments to a political
 47 subdivision or board of education shall not exceed in any year the amount of the
 48 contribution to the tax allocation increment in that year by such political subdivision
 49 or board of education; provided, further, that any such payments due to be paid to a
 50 board of education pursuant to a contract with a redevelopment agency shall be made
 51 strictly in accordance with the terms of the contract and shall be considered a superior
 52 obligation prior to financing all or a portion of the costs of acquiring, constructing,
 53 equipping, or installing any new components of a capital project; and

54 (H) Real property assembly costs."

55 **SECTION 2.**

56 Said chapter is further amended in Code Section 36-44-9, relating to computing tax
 57 allocation increments, property tax included, and use of tax funds, by revising subsection (g)
 58 as follows:

59 "(g) Any consent by a local board of education to the inclusion of educational ad valorem
 60 property taxes as a basis for computing tax allocation increments and any authorization to
 61 use such funds for such purposes that was approved before January 1, 2009, and not
 62 rescinded or repealed prior to April 22, 2009, is ratified and confirmed pursuant to the
 63 authority granted by Article IX, Section II, Paragraph VII of the Constitution, as amended

64 by a resolution ratified at the November, 2008 general election, Ga. L. 2008, p. 777, to
 65 authorize the use of county, municipal, and school tax funds, or any combination thereof,
 66 for redevelopment purposes and programs notwithstanding Article VIII, Section VI or any
 67 other provision of the Constitution and regardless of whether any county, municipality, or
 68 local board of education approved the use of such tax funds for such purposes and
 69 programs before or after January 1, 2009; provided, however, that any payments in lieu of
 70 taxes due to be paid to a local board of education pursuant to a contract with a
 71 redevelopment agency shall be made strictly in accordance with the terms of the contract
 72 and shall be considered a superior obligation prior to financing all or a portion of the costs
 73 of acquiring, constructing, equipping, or installing any new components of a capital
 74 project."

75 SECTION 3.

76 Code Section 36-80-16.1 of the Official Code of Georgia Annotated, relating to PILOT
 77 restriction, payments in lieu of taxes defined, and financing capital projects, is amended by
 78 revising subsection (e) as follows:

79 "(e) This Code section shall not affect revenue bonds or other revenue obligations which
 80 any local government authority has issued or which have been judicially validated on or
 81 before April 22, 2009. Each county board of tax assessors shall continue, notwithstanding
 82 this Code section, to exercise its powers and discharge its duties and is specifically
 83 authorized, without limitation, to use a method or methods of valuation for leases related
 84 to revenue bonds or other revenue obligations issued by a local government authority for
 85 a capital project or projects to be leased primarily to a nongovernmental user or users,
 86 based on assessments of the increasing interest of the nongovernmental user or users in the
 87 real or personal property, or both, over the term of the lease, or to use a simplified method
 88 or methods employing a specified percentage or specified percentages of such leasehold
 89 interests. Each local government authority that is authorized to issue revenue bonds or
 90 other revenue obligations secured by a taxable property interest, such as a taxable lease of
 91 a capital project, shall continue, notwithstanding this Code section, to exercise its powers
 92 and discharge its duties, including, in the case of development authorities, the development
 93 of trade, commerce, industry, and employment opportunities; provided, however, that any
 94 payments in lieu of taxes due to be paid to a board of education pursuant to a contract with
 95 a local government authority shall be made strictly in accordance with the terms of the
 96 contract and shall be considered a superior obligation prior to financing all or a portion of
 97 the costs of acquiring, constructing, equipping, or installing any new components of a
 98 capital project. Any local government or local government authority which directly or

99 indirectly receives payments in lieu of taxes shall be authorized to use the same for any
100 governmental or public purpose of such local government or local government authority.”

101 **SECTION 4.**

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