

Senate Bill 224

By: Senators Martin of the 9th and Thompson of the 5th

AS PASSED SENATE

A BILL TO BE ENTITLED

AN ACT

1 To create the Lawrenceville Building Authority as a public corporation and an
 2 instrumentality of the State of Georgia; to provide for a short title; to authorize the authority
 3 to acquire, construct, own, and convey real property and personal property and to sue and be
 4 sued; to authorize the authority to enter into intergovernmental contracts and contracts with
 5 private persons; to confer upon the authority the power of eminent domain; to authorize the
 6 authority to enter into contracts, lease agreements, and installment sale agreements; to
 7 authorize the authority to accept grants and gifts; to authorize the authority to fix and collect
 8 fees and charges for the use or for the rental of its facilities; to provide for the membership
 9 of the authority; to authorize the authority to acquire, construct, equip, maintain, and operate
 10 projects; to authorize the authority to acquire the necessary property therefor and to lease or
 11 sell any or all of such facilities; to authorize the authority to sell its contracts, lease
 12 agreements, or installment sale agreements or its right to receive payments thereunder, either
 13 directly or by creating interests therein; to authorize the issuance of revenue bonds of the
 14 authority, payable from the revenues, tolls, fees, charges, and earnings of the authority,
 15 including, but not limited to, amounts derived from leasing and selling facilities of the
 16 authority; to authorize the collection and pledging of the revenues and earnings of the
 17 authority for the payment of such bonds and to authorize the execution of trust indentures to
 18 secure the payment thereof and to define the rights of the holders of such bonds or
 19 obligations; to provide that no debt of the State of Georgia or of the City of Lawrenceville,
 20 Georgia, shall be incurred in the exercise of any powers granted by this Act; to make the
 21 bonds of the authority exempt from taxation; to authorize the issuance of refunding bonds;
 22 to fix the venue of actions relating to any provision of this Act and to provide for the
 23 validation of bonds issued by the authority and of contracts between the authority and the
 24 City of Lawrenceville, Georgia; to prohibit the authority from levying any tax; to provide for
 25 the separate enactment of each provision of this Act; to provide for an effective date; to
 26 repeal conflicting laws; and for other purposes.

27 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

S. B. 224

28 **SECTION 1.**

29 This Act shall be known and may be cited as the "Lawrenceville Building Authority Act."

30 **SECTION 2.**

31 There is created a body corporate and politic to be known as the Lawrenceville Building
 32 Authority, herein called the "Authority," which shall be deemed to be a political subdivision
 33 of the State of Georgia and a public corporation by that name, style, and title to be known.
 34 Such corporation shall be separate and distinct from any public corporation heretofore
 35 created by the General Assembly and shall be an instrumentality of the State of Georgia
 36 exercising governmental powers. All property owned by such corporation shall be public
 37 property held and owned for governmental purposes and shall be exempt from taxation.

38 **SECTION 3.**

39 The authority shall have the power:

- 40 (1) To hold, own, and convey real and personal property;
- 41 (2) To sue and be sued;
- 42 (3) To have and to use a seal and to alter the same at pleasure;
- 43 (4) To acquire, construct, purchase, own, equip, operate, extend, improve, lease, and sell
 44 any project as hereinafter defined;
- 45 (5) To exercise the powers conferred upon a public corporation or a public authority by
 46 Article IX, Section III, Paragraph I of the Constitution of Georgia, such Authority being
 47 hereby expressly declared to be a public corporation or a public authority within the
 48 meaning of such provision of the Constitution of Georgia;
- 49 (6) To acquire in its own name by purchase on such terms and conditions and in such
 50 manner as it may deem proper or by condemnation in accordance with the provisions of
 51 any and all existing laws of the State of Georgia applicable to the condemnation of
 52 property for public use, including the power to proceed as a condemning body under the
 53 provisions of Article 2 of Chapter 2 of Title 22 of the Official Code of Georgia
 54 Annotated, relating to proceedings before a special master, or by gift, grant, lease, or
 55 otherwise, real property or rights and easements therein and franchises and personal
 56 property necessary or convenient for its corporate purposes and to use the same so long
 57 as its corporate existence shall continue and to lease or make contracts with respect to the
 58 use, sale, or disposition of the same in any manner it deems to the best advantage of the
 59 authority. Title to any such property shall be held by the authority exclusively for the
 60 benefit of the public. The authority shall be under no obligation to accept and pay for any
 61 property condemned as provided herein except from the funds provided therefor, and in
 62 any proceedings to condemn, such orders may be made by the court having jurisdiction

63 of the suit, action, or proceedings as may be just to the authority and to the owners of the
64 property to be condemned; and no property shall be acquired as provided herein upon
65 which any lien or other encumbrance exists, unless at the time such property is so
66 acquired a sufficient sum of money shall be deposited in trust to pay and redeem the
67 amount of such lien or encumbrance. If the authority shall deem it expedient to construct
68 any project on lands which are subject to the control of the City of Lawrenceville,
69 Georgia, the City of Lawrenceville, Georgia, is authorized to convey such lands to the
70 authority for such consideration as may be agreed upon by the authority and the City of
71 Lawrenceville, Georgia, taking into consideration the public benefit to be derived from
72 such conveyance;

73 (7) To accept gifts and bequests for its corporate purposes;

74 (8) To appoint, select, and employ officers, agents, and employees, including
75 engineering, architectural, and construction experts, fiscal agents, and attorneys, and to
76 fix their compensation;

77 (9) To make and execute with public and private persons and corporations contracts,
78 lease agreements, rental agreements, installment sale agreements, and other instruments
79 relating to its projects and incident to the exercise of the powers of the authority,
80 including contracts for constructing, renting, leasing, and selling its projects for the
81 benefit of the City of Lawrenceville, Georgia; and, without limiting the generality of the
82 foregoing, authority is specifically granted to the City of Lawrenceville, Georgia, to enter
83 into contracts, lease agreements, rental agreements, installment sale agreements, and
84 related agreements with the authority for a term not exceeding 50 years;

85 (10) To sell or assign its rights under its contracts, lease agreements, or installment sale
86 agreements or its right to receive payments thereunder, either directly or through trust or
87 custodial arrangements whereby interests are created in such contracts, lease agreements,
88 or installment sale agreements or the payments to be received thereunder through the
89 issuance of trust certificates, certificates of participation, custodial receipts, or other
90 similar instruments;

91 (11) To accept loans and grants of money or property of any kind from the United States,
92 the State of Georgia, or any political subdivision of the State of Georgia;

93 (12) To borrow money for any of its corporate purposes and to issue revenue bonds
94 payable solely from funds or revenues of the authority pledged for that purpose and to
95 pledge and assign any of its revenues, income, rent, charges, and fees to provide for the
96 payment of the same and to provide for the rights of the holders of such revenue bonds;
97 and

98 (13) To make such rules and regulations governing its employees and property as it may
99 in its discretion deem proper.

100

SECTION 4.

101 The authority shall consist of five members who shall be residents of the City of
102 Lawrenceville, Georgia, who shall be eligible to succeed themselves, and who shall be
103 appointed by the city council of the City of Lawrenceville, Georgia. The mayor and other
104 members of the city council shall be eligible to be appointed to and to serve on the authority.
105 The members of the authority shall hold office for terms of four years and until their
106 successors shall be appointed; provided, however, that of the original members appointed to
107 the authority, three shall be appointed for terms of one year and two shall be appointed for
108 terms of three years. Upon the expiration of each of such initial terms, the successors shall
109 be appointed for terms of four years. Any vacancy on the authority shall be filled for the
110 unexpired term by the city council. Immediately after their appointment, the members of the
111 authority shall enter upon their duties. Three members of the authority shall constitute a
112 quorum, and no vacancy on the authority shall impair the right of the quorum to exercise all
113 the rights and perform all the duties of the authority, and in every instance, a majority vote
114 of a quorum shall authorize any legal act of the authority, including all things necessary to
115 authorize and issue revenue bonds. The authority shall elect one of its members as
116 chairperson and shall elect a secretary and treasurer who need not necessarily be a member
117 of the authority. The members of the authority shall not be entitled to compensation for their
118 services but shall be entitled to and shall be reimbursed for their actual expenses necessarily
119 incurred in the performance of their duties. The authority shall make rules and regulations
120 for its own government. It shall have perpetual existence. Any change in name or
121 composition of the authority shall in no way affect the vested rights of any person under the
122 provisions of this Act or impair the obligations of any contracts existing under this Act.

123

SECTION 5.

124 As used in this Act, the term:

125 (1) "Authority" shall mean the Lawrenceville Building Authority created in Section 2 of
126 this Act.

127 (2) "Cost of the project" shall include the cost of construction, the cost of all lands,
128 properties, rights, easements, and franchises acquired, the cost of buildings,
129 improvements, materials, labor, and services contracted for, the cost of all machinery and
130 equipment, financing charges, interest prior to and during construction and for one year
131 after the completion of construction, engineering, architectural, fiscal, accounting,
132 inspection, and legal expenses, cost of plans and specifications, and other expenses
133 necessary or incident to determining the feasibility or practicability of the project,
134 administrative expenses, and such other expenses as may be necessary or incident to the
135 financing herein authorized, the acquisition, construction, renovation, reconstruction, or

136 remodeling of any project, the placing of the same in operation, and the condemnation
137 of property necessary for such construction and operation. Any obligation or expense
138 incurred for any of the foregoing purposes shall be regarded as a part of the cost of the
139 project and may be paid or reimbursed as such out of any funds of the authority,
140 including proceeds of any revenue bonds issued under the provisions of this Act for any
141 such project or projects and the proceeds of the sale of any contracts, lease agreements,
142 or installment sale agreements or the amounts payable thereunder, either directly or by
143 the creation of interests therein.

144 (3) "Project" shall mean and include real and personal property, including buildings and
145 related facilities and equipment, which are necessary or convenient for the efficient
146 operation of the City of Lawrenceville, Georgia. Any project shall be deemed
147 self-liquidating if, in the judgment of the authority, the revenues and earnings to be
148 derived by the authority therefrom and all properties used, leased, and sold in connection
149 therewith will be sufficient to pay the cost of operating, maintaining, and repairing the
150 project and to pay the principal of and interest on the revenue bonds which may be issued
151 to finance, in whole or in part, the cost of such project or projects.

152 (4) "Revenue bonds" shall mean revenue bonds issued by the authority pursuant to the
153 terms of this Act and Article 3 of Chapter 82 of Title 36 of the Official Code of Georgia
154 Annotated, the "Revenue Bond Law."

155 **SECTION 6.**

156 The authority shall have power and is hereby authorized from time to time to provide by
157 resolution for the issuance of negotiable revenue bonds in the manner provided by Article
158 3 of Chapter 82 of Title 36 of the Official Code of Georgia Annotated, the "Revenue Bond
159 Law," for the purpose of paying all or any part of the cost of any one or more projects,
160 including the cost of constructing, reconstructing, equipping, extending, adding to, or
161 improving any such project, or for the purpose of refunding, as herein provided, any such
162 bonds of the authority previously issued. The principal of and interest on such revenue bonds
163 shall be payable solely from such part of the revenues and earnings of such project or
164 projects as may be designated in the resolution of the authority authorizing the issuance of
165 such revenue bonds. The revenue bonds of each issue shall be issued and validated under
166 and in accordance with the provisions of Article 3 of Chapter 82 of Title 36 of the Official
167 Code of Georgia Annotated, the "Revenue Bond Law."

168 **SECTION 7.**

169 All revenue bonds issued under the provisions of this Act shall have and are hereby declared
170 to have all the qualities and incidents of negotiable instruments under the negotiable

171 instruments law of this state. Such bonds are declared to be issued for an essential public and
172 governmental purpose, and such bonds and the income thereof shall be exempt from all
173 taxation within this state.

174

SECTION 8.

175 Revenue bonds issued under the provisions of this Act shall not constitute a debt or a pledge
176 of the faith and credit of the State of Georgia or of the City of Lawrenceville, Georgia, but
177 such bonds shall be payable solely from such part of the revenues and earnings of such
178 project or projects as may be designated in the resolution of the authority authorizing the
179 issuance of such bonds. The issuance of such revenue bonds shall not directly, indirectly,
180 or contingently obligate the State of Georgia or the City of Lawrenceville, Georgia, to levy
181 or to pledge any form of taxation whatever for the payment thereof. No holder of any bond
182 or receiver or trustee in connection therewith shall have the right to enforce the payment
183 thereof against any property of the State of Georgia or the City of Lawrenceville, Georgia,
184 nor shall any such bond constitute a charge, lien, or encumbrance, legal or equitable, upon
185 any such property. All such bonds shall contain on their face a recital setting forth
186 substantially the foregoing provisions of this section. The City of Lawrenceville, Georgia,
187 however, may obligate itself to pay the amounts required under any contract entered into
188 with the authority from funds received from taxes to be levied and collected for that purpose
189 to the extent necessary to pay the obligations contractually incurred with the authority, and
190 from any other source; and the obligation to make such payments shall constitute a general
191 obligation and a pledge of the full faith and credit of the City of Lawrenceville, Georgia, but
192 shall not constitute a debt of the City of Lawrenceville, Georgia, within the meaning of the
193 Constitution of the State of Georgia, Article IX, Section V, Paragraph I; and when the City
194 of Lawrenceville, Georgia, contracts with the authority to make such payments from taxes
195 to be levied for that purpose, then the obligation shall be mandatory to levy and collect such
196 taxes from year to year in an amount sufficient to fulfill and fully comply with the terms of
197 such contract.

198

SECTION 9.

199 In the discretion of the authority, any issue of such revenue bonds may be secured by a trust
200 indenture by and between the authority and a corporate trustee, which may be any trust
201 company or bank having the powers of a trust company within or outside of the State of
202 Georgia. Such trust indenture may pledge or assign fees, tolls, rents, revenues, and earnings
203 to be received by the authority, including the proceeds derived from the sale or lease, from
204 time to time, of any project. Either the resolution providing for the issuance of revenue
205 bonds or such trust indenture may contain such provisions for protecting and enforcing the

206 rights and remedies of the bondholders as may be reasonable and proper and not in violation
207 of law, including covenants setting forth the duties of the authority in relation to the
208 acquisition and construction of any project, the maintenance, operation, repair, and insurance
209 of any project, and the custody, safeguarding, and application of all monies, including the
210 proceeds derived from the sale or lease of any project, and may also provide that any project
211 shall be acquired and constructed under the supervision and approval of consulting engineers
212 or architects employed or designated by the authority and satisfactory to the original
213 purchasers of the bonds issued therefor, and may also require that the security given by
214 contractors and by any depository of the proceeds of the bonds or revenues or other monies
215 be satisfactory to such purchasers, and may also contain provisions concerning the
216 conditions, if any, upon which additional revenue bonds pledging all or any part of the
217 revenues and earnings of such project or projects may be issued. Such indenture may set
218 forth the rights and remedies of the bondholders and of the trustee. In addition to the
219 foregoing, such trust indenture may contain such other provisions as the authority may deem
220 reasonable and proper for the security of the bondholders. All expenses incurred in carrying
221 out such trust indenture may be treated as a part of the cost of maintenance, operation, and
222 repair of the project affected by such indenture.

223

SECTION 10.

224 The revenues, fees, tolls, and earnings derived from any particular project or projects,
225 regardless of whether or not such fees, earnings, and revenues were produced by a particular
226 project for which bonds have been issued and any monies derived from the sale of any
227 properties, both real and personal, of the authority, unless otherwise pledged and allocated,
228 may be pledged and allocated by the authority to the payment of the principal and interest
229 on revenue bonds of the authority as the resolution authorizing the issuance of the bonds or
230 the trust indenture may provide, and such funds so pledged, from whatever source received,
231 which pledge may include funds received from one or more or all sources not previously
232 pledged and allocated, shall be set aside at regular intervals, as may be provided in the
233 resolution or trust indenture, into a sinking fund, which sinking fund shall be pledged to and
234 charged with the payments of:

- 235 (1) The interest upon such revenue bonds as such interest shall fall due;
236 (2) The principal of the bonds as the same shall fall due;
237 (3) The necessary charges of any paying agent or agents for paying principal and interest;
238 and
239 (4) Any premium upon bonds retired by call or purchase.

240 The use and disposition of such sinking fund shall be subject to such regulations as may be
241 provided in the resolution authorizing the issuance of the revenue bonds or in the trust

242 indenture, but, except as may otherwise be provided in such resolution or trust indenture,
243 such sinking fund shall be a fund for the benefit of all revenue bonds issued pursuant to such
244 resolution or trust indenture without distinction or priority of one over another.

245 **SECTION 11.**

246 The authority is hereby authorized to provide by resolution for the issuance of revenue
247 refunding bonds of the authority for the purpose of refunding any revenue bonds issued under
248 the provisions of this Act and then outstanding, together with accrued interest thereon and
249 any premium required for the payment of such bonds prior to maturity. The issuance of such
250 revenue bonds and all the details thereof, the rights of the holders thereof, and the duties of
251 the authority with respect to the same, shall be governed by the foregoing provisions of this
252 Act insofar as the same may be applicable.

253 **SECTION 12.**

254 The principal office of the authority shall be in the City of Lawrenceville, Georgia, and the
255 venue of any action against it shall be in Gwinnett County. Any action pertaining to the
256 validation of any bonds issued under the provisions of this Act and for the validation of any
257 contract entered into by the authority shall be brought in the Superior Court of Gwinnett
258 County, and such court shall have exclusive original jurisdiction of such actions. Service
259 upon the authority of any process, subpoena, or summons shall be effected by serving the
260 same personally upon any member of the authority.

261 **SECTION 13.**

262 Revenue bonds of the authority shall be confirmed and validated in accordance with the
263 procedure now or hereafter set forth in Article 3 of Chapter 82 of Title 36 of the Official
264 Code of Georgia Annotated, the "Revenue Bond Law," as the same now exists or may
265 hereafter be amended. The petition for validation shall also make a party defendant to such
266 action the City of Lawrenceville, Georgia, if such city has or will contract with the authority
267 with respect to the project for which bonds are to be issued and are sought to be validated,
268 and the City of Lawrenceville, Georgia, shall be required to show cause, if any exists, why
269 such contract and the terms and conditions thereof should not be inquired into by the court
270 and the validity of the terms thereof be determined and the contract adjudicated as security
271 for the payment of any such bonds of the authority. The bonds, when validated, and the
272 judgment of validation shall be final and conclusive with respect to the validity of such bonds
273 against the authority, and the validity of the contract and of the terms and conditions thereof,
274 when validated, and the judgment of validation shall be final and conclusive against the City
275 of Lawrenceville, Georgia, if it is a party to the validation proceeding as herein provided for.

276

SECTION 14.

277 While any of the bonds issued by the authority or any interests in contracts of the authority
278 remain outstanding, the powers, duties, or existence of the authority or of its officers,
279 employees, or agents shall not be diminished or impaired in any manner that will affect
280 adversely the interest and rights of the holders of such bonds or such interests in contracts
281 of the authority. The provisions of this section shall be for the benefit of the authority and
282 of the holders of any such bonds and interests in contracts of the authority and, upon the
283 issuance of bonds or the creation of interests in contracts of the authority under the
284 provisions of this Act, shall constitute a contract with the holders of such bonds or such
285 interests in contracts of the authority.

286

SECTION 15.

287 All monies received by the authority pursuant to this Act, whether as proceeds from the sale
288 of revenue bonds or contracts of the authority, as grants or other contributions, or as
289 revenues, income, fees, and earnings, shall be deemed to be the trust funds to be held and
290 applied solely as provided in this Act and in such resolutions and trust indentures as may be
291 adopted and entered into by the authority pursuant to this Act.

292

SECTION 16.

293 The authority is hereby authorized to prescribe and fix and collect rates, fees, tolls, rents, and
294 charges and to revise, from time to time, and collect such revised rates, fees, tolls, rents, and
295 charges for the services, facilities, or commodities furnished, including leases, concessions,
296 or subleases of its projects, and to determine the price and terms at and under which its
297 projects may be sold.

298

SECTION 17.

299 The exercise of the powers conferred upon the authority hereunder shall constitute an
300 essential governmental function for a public purpose, and the authority shall be required to
301 pay no taxes or assessments upon any of the property acquired by it or under its jurisdiction,
302 control, possession, or supervision or upon its activities in the operation and maintenance of
303 property acquired by it or of buildings erected or acquired by it or any fees, rentals, or other
304 charges for the use of such property or buildings or other income received by the authority.
305 The tax exemption herein provided shall not include an exemption from sales and use tax on
306 property purchased by or for the use of the authority.

307 **SECTION 18.**

308 The authority shall have the same immunity and exemption from liability for torts and
309 negligence as the City of Lawrenceville, Georgia, and the officers, agents, and employees
310 of the authority, when in performance of work of the authority, shall have the same immunity
311 and exemption from liability for torts and negligence as officers, agents, and employees of
312 the City of Lawrenceville, Georgia. The authority may be sued the same as may private
313 corporations on any contractual obligation of the authority.

314 **SECTION 19.**

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

316 **SECTION 20.**

317 This Act does not in any way take away from the authority any power which may be
318 conferred upon it by law but is supplemental thereto.

319 **SECTION 21.**

320 The authority shall not have the right to impose any tax on any person or property.

321 **SECTION 22.**

322 This Act shall be liberally construed to effect the purposes hereof.

323 **SECTION 23.**

324 Should any sentence, clause, phrase, or part of this Act be declared for any reason to be
325 unconstitutional or invalid, the same shall not affect the remainder of this Act or any part
326 hereof, other than the part so held to be invalid, but the remaining provisions of this Act shall
327 remain in full force and effect, and it is the express intention of this Act to enact each
328 provision of this Act independently of any other provision hereof.

329 **SECTION 24.**

330 This Act shall become effective upon its approval by the Governor or upon its becoming law
331 without such approval.

332 **SECTION 25.**

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