

Senate Bill 256

By: Senator Mallow of the 2nd

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 60 of Title 36 of the Official Code of Georgia Annotated, relating to
2 general provisions applicable to counties and municipal corporations, so as to authorize
3 counties and municipalities to enter into certain long-term leases relating to affordable
4 workforce housing projects or undertakings; to provide for related matters; to repeal
5 conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Chapter 60 of Title 36 of the Official Code of Georgia Annotated, relating to general
9 provisions applicable to counties and municipal corporations, is amended by revising Code
10 Section 36-60-13, relating to multiyear lease, purchase, or lease-purchase contracts, as
11 follows:

12 "36-60-13.

13 (a) Each county or municipality in this state shall be authorized to enter into multiyear
14 lease, purchase, or lease-purchase contracts of all kinds for the acquisition of goods,
15 materials, real and personal property, services, and supplies, provided that any such
16 contract shall contain provisions for the following:

17 (1) The contract shall terminate absolutely and without further obligation on the part of
18 the county or municipality at the close of the calendar or fiscal year in which it was
19 executed and at the close of each succeeding calendar or fiscal year for which it may be
20 renewed as provided in this Code section;

21 (2) The contract may provide for automatic renewal unless positive action is taken by the
22 county or municipality to terminate such contract, and the nature of such action shall be
23 determined by the county or municipality and specified in the contract;

24 (3) The contract shall state the total obligation of the county or municipality for the
25 calendar or fiscal year of execution and shall further state the total obligation which will
26 be incurred in each calendar or fiscal year renewal term, if renewed; and

27 (4) The contract shall provide that title to any supplies, materials, equipment, or other
28 personal property shall remain in the vendor until fully paid for by the county or
29 municipality.

30 (b) In addition to the provisions enumerated in subsection (a) of this Code section, any
31 contract authorized by this Code section may include:

32 (1) A provision which requires that the contract will terminate immediately and
33 absolutely at such time as appropriated and otherwise unobligated funds are no longer
34 available to satisfy the obligations of the county or municipality under the contract; or

35 (2) Any other provision reasonably necessary to protect the interests of the county or
36 municipality.

37 (c) Any contract developed under this Code section containing the provisions enumerated
38 in subsection (a) of this Code section shall be deemed to obligate the county or
39 municipality only for those sums payable during the calendar or fiscal year of execution
40 or, in the event of a renewal by the county or municipality, for those sums payable in the
41 individual calendar or fiscal year renewal term.

42 (d) No contract developed and executed pursuant to this Code section shall be deemed to
43 create a debt of the county or municipality for the payment of any sum beyond the calendar

44 or fiscal year of execution or, in the event of a renewal, beyond the calendar or fiscal year
45 of such renewal.

46 (e) No contract developed and executed pursuant to this Code section may be delivered
47 if the principal portion of such contract, when added to the amount of debt incurred by any
48 county or municipality pursuant to Article IX, Section V, Paragraph I of the Constitution
49 of Georgia, exceeds 10 percent of the assessed value of all taxable property within such
50 county or municipality.

51 (f) No contract developed and executed pursuant to this Code section may be delivered if
52 the real or personal property being so financed has been the subject of a referendum which
53 failed to receive the approval of the voters of the county or municipality within the
54 immediately preceding four calendar years, unless such real or personal property is
55 required to be financed pursuant to a federal or state court order, or imminent threat
56 thereof, as certified by the governing authority of the county or municipality.

57 (g) No contract developed and executed pursuant to this Code section with respect to the
58 acquisition of real property may be delivered unless a public hearing has been held by the
59 county or municipality after two weeks' notice published in a newspaper of general
60 circulation within the county or municipality.

61 (h)(1) On or after July 1, 2000, no contract developed and executed or renewed,
62 refinanced, or restructured pursuant to this Code section with respect to real property may
63 be delivered if the lesser of either of the following is exceeded:

64 (A) The average annual payments on the aggregate of all such outstanding contracts
65 exceed 7.5 percent of the governmental fund revenues of the county or municipality for
66 the calendar year preceding the delivery of such contract plus any available special
67 county 1 percent sales and use tax proceeds collected pursuant to Code
68 Section 48-8-111; or

69 (B) The outstanding principal balance on the aggregate of all such outstanding
70 contracts exceeds \$25 million; provided, however, that with respect to any county or

71 municipality in which, prior to July 1, 2000, the outstanding principal balance on the
72 aggregate of outstanding contracts exceeds \$25 million, such outstanding contracts may
73 be renewed, refinanced, or restructured, but no new contracts shall be developed and
74 executed until the outstanding principal balance on such outstanding contracts has been
75 reduced so that the \$25 million limitation of this subparagraph, or the limitation in
76 subparagraph (A) of this paragraph, whichever is lower, is not exceeded.

77 (2) Paragraph (1) of this subsection shall not apply to contracts developed and executed
78 or renewed, refinanced, or restructured pursuant to this Code section which are for
79 projects or facilities:

80 (A) For the housing of court services, where any other state law or laws authorize the
81 project or facility to be financed and paid for from the collection of fines rather than
82 from tax revenues; or

83 (B) Which have been previously approved in the most recent referendum calling for
84 the levy of a special county 1 percent sales and use tax pursuant to Part 1 of Article 3
85 of Chapter 8 of Title 48.

86 (i) Any such contract may provide for the payment by the county or municipality of
87 interest or the allocation of a portion of the contract payment to interest, provided that the
88 contract is in compliance with this Code section.

89 (j) Nothing in this Code section shall restrict counties or municipalities from executing
90 reasonable contracts arising out of their proprietary functions.

91 (k) Each county or municipality in this state shall be authorized to enter into multiyear
92 lease, purchase, or lease-purchase contracts pursuant to the provisions of this Code section
93 for the purpose of providing or supporting affordable workforce housing projects or
94 undertakings, as deemed appropriate by the governing authority of such county or
95 municipality, provided that the term of such agreement does not exceed 45 years."

96

SECTION 2.

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