s/ DEANA COKER
Notary Public, Laurens County, Georgia
My Commission Expires Aug. 18, 2003
(SEAL)

Approved March 23, 2001.

SOUTH GEORGIA GOVERNMENTAL SERVICES AUTHORITY – CREATION.

No. 21 (House Bill No. 879).

AN ACT

To create the South Georgia Governmental Services Authority and to authorize such authority to provide, acquire, construct, equip, maintain, and operate public service facilities, to acquire the necessary property therefor, both real and personal, and to lease or sell any or all of such facilities, including real and personal property; to confer powers and to impose duties on the authority; to provide for the membership and for the appointment of members of the authority and their term of tenure and compensation; to authorize the authority to contract with others pertaining to facilities and services, to execute leases and contracts relating to such facilities and services, to convey title to property of the authority in fee simple, and to do all things deemed necessary or convenient for the operation of such undertakings; to authorize the authority and other political subdivisions, including specifically the City of Cairo, the City of Camilla, the City of Moultrie, and the City of Thomasville, to enter into contracts and leases pertaining to uses of such facilities and services, which contracts and leases shall obligate the lessees to make payment for the use of such facilities and services for the term thereof and to pledge for that purpose revenues derived from taxation; to provide that no debt of the City of Cairo, the City of Camilla, the City of Moultrie, or the City of Thomasville, or other political subdivisions within the meaning set forth in Article IX, Section V, Paragraph I of the Constitution of the State of Georgia, shall be incurred by exercise of the powers granted; to authorize the issuance of revenue bonds or obligations of the authority, payable from the revenues, tolls, fees, charges, and earnings of the authority, including, but not limited to, earnings derived from contracts, leases, and income from conveyances of real or personal property of the authority; to authorize the payment of the cost of such undertakings, to authorize the collection and pledging of the revenues and earnings of the authority for the payment of such bonds or obligations and to secure the payment thereof; to define the rights of the holders of such bonds or obligations; to make the bonds or obligations of the authority exempt from taxation; to make the property of the authority exempt from taxation and assessment; to grant the authority and its members certain immunities;

to authorize the issuance of refunding bonds or obligations; to fix the venue or jurisdiction of actions relating to any provisions of this Act; to provide that bonds or obligations be validated as authorized by Article 3 of Chapter 82 of Title 36 of the O.C.G.A., the "Revenue Bond Law"; to provide for construction; to provide for conveyance of property upon dissolution; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.
Short title.

This Act shall be known and may be cited as the "South Georgia Governmental Services Authority Act."

SECTION 2.
Creation of authority; members.

(a) There is created a body corporate and politic to be known as the South Georgia Governmental Services Authority, which shall be deemed to be a political subdivision of the State of Georgia and a public corporation and instrumentality by that name, style, and title, and said 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, except that the authority or the trustee acting under a trust indenture shall in no event be liable for any torts committed by any of the officers, agents, and employees of the authority. The authority shall not be a state institution, nor a department or agency of the state, but shall be an instrumentality of the state having a distinct corporate entity and being exempt from the provisions of Article 2 of Chapter 17 of Title 50 of the O.C.G.A., the "Georgia State Financing and Investment Commission Act." The authority is granted the same exemptions and exclusions from taxes as are now granted to cities and counties for the operation of facilities similar to facilities to be operated by the authority as provided under the provisions of this Act.
(b) The authority shall consist of eight members who shall be appointed as follows: Two members each shall be appointed by the governing bodies of the City of Cairo, the City of Camilla, the City of Moultrie, and the City of Thomasville. Each member shall serve for a term of four years, except that one of the two initial members appointed by each of the governing bodies shall serve for two years. If at the end of any term of a member, a successor has not been appointed, such member shall continue to be a member of the authority until a successor is so appointed. Each member must be a resident of the city making the appointment or the county in which such city is located. City or county officials or employees may serve as members of the authority.
(c) Any vacancy on the authority shall be filled in the same manner as was the original appointment of the member whose termination of membership resulted in

such vacancy, and the person so selected and appointed shall serve for the remainder of the unexpired term.
(d) The authority shall elect one of its members as chairperson and another member as vice chairperson. The authority shall elect a secretary and a treasurer, or a secretary-treasurer, who need not be members of the authority.
(e) A majority of the members of the authority shall constitute a quorum. No vacancy on the authority shall impair the right of the quorum to exercise all the rights and perform all the duties of the authority.
(f) The members of the authority shall be reimbursed for all actual expenses incurred in the performance of their duties out of funds of the authority.
(g) The authority shall make rules and regulations for its own government. It shall have perpetual existence.

SECTION 3.
Declaration of need and purpose.

The joint delivery of services and facilities by political subdivisions and governmental bodies on a regional basis provides economies of scale, the sharing of assets, and the development of expertise in providing more efficient and economical delivery of such services and benefits to the citizens of Georgia. The authority is created for the purpose of providing governmental, proprietary, and administrative services and facilities to the City of Cairo, the City of Camilla, the City of Moultrie, the City of Thomasville, and other political subdivisions, agencies, and authorities within its area of operation.

SECTION 4.
Definitions.

As used in this Act, the term:
(1) "Authority" means the South Georgia Governmental Services Authority created in Section 2 of this Act.
(2) "Cost of the project" or "cost" means the cost of construction; the cost of all equipment, lands, properties, rights, easements, and franchises acquired and the cost of all conveyances of the authority's title thereto and leases thereof; the cost of all machinery and equipment and financing charges and interest prior to and during construction and for one year after completion of construction; the cost of engineering, architectural, fiscal, and legal expenses and of plans and specifications and other expenses necessary or incident to determining the feasibility or practicability of the project; administrative expenses and such other expenses as may be necessary or incident to the financing authorized by this Act; and the acquisition and construction of any project, the placing of the same in operation, and the condemnation of property necessary for such construction and operation. Any obligation or expense incurred for any of the foregoing purposes shall be regarded as a part of the cost of the project and may be paid or reimbursed as such out of the proceeds of revenue bonds or notes issued under the provisions of this Act for such project.
(3) "Project" means and include the acquisition, construction, equipping, maintenance, and operation of any undertaking as defined in Article 3 of Chapter 82 of the Title 36 of the O.C.G.A., the "Revenue Bond Law"; any undertaking, project, or service for which the governmental body contracting with the authority is authorized by law to undertake in the performance of its governmental, proprietary, or administrative functions; all personal property to be used in connection therewith; the lease and sale of any part or all of such facilities, including real and personal property, so as to ensure the efficient and proper development, maintenance, and operation of such project deemed by the authority to be necessary, convenient, or desirable. A project may be composed exclusively of real or personal property, equipment, fixtures, machinery, or other property of any nature whatsoever used or useful in connection with the governmental, administrative, and proprietary functions of any governmental body contracting with the authority for its services or facilities.
(4) "Revenue bonds," "bonds," and "obligations" means revenue bonds or obligations as defined and provided for in Article 3 of Chapter 82 of Title 36 of the O.C.G.A., the "Revenue Bond Law," as amended, and obligations of the authority the issuance of which are provided for in this Act.
(5) "Self-liquidating" means the revenues and earnings of any project to be derived by the authority therefrom and all properties used, leased, and sold in connection therewith will be sufficient, in the judgement of the authority, to pay the cost of operating, maintaining, repairing, improving, and extending the project and to pay the principal of and interest on the revenue bonds or notes which may be issued to finance, in whole in part, the cost of such project.

SECTION 5.
Powers.

The authority shall have the power:
(1) To have a seal and alter the same at pleasure;
(2) To acquire by purchase, lease, or otherwise and to hold, lease, and dispose of real and personal property of every kind and character for its corporate purposes;
(3) To acquire in its own name by purchase, on such terms and conditions and in such manner as it may deem proper, or by condemnation, in accordance with the provisions of any and all existing laws applicable to the condemnation of property for public use, real property, rights, or easements therein or franchises necessary or convenient for its corporate purposes; to use the same so long as its corporate existence shall continue; to lease or make contracts with respect to the use of or to dispose of the same in any manner it deems to the best advantage of the authority, the authority being under no obligation to accept and pay for any property condemned under this Act except from the funds

provided under the authority of this Act; and in any proceedings to condemn, such orders may be made by the court having jurisdiction of the suit, action, or proceedings as may be just to the authority and to the owners of the property to be condemned; provided, however, no property shall be acquired under the provisions of this Act upon which any lien or other encumbrance exists, unless at the time such property is so acquired a sufficient sum of money is deposited in trust to pay and redeem the fair value of such lien or encumbrance;

(4) To appoint, select, and employ officers, agents, and employees including engineering, architectural, and construction experts, fiscal agents, and attorneys and fix their respective compensations;

(5) To make contracts and leases and to execute all instruments necessary or convenient, including contracts for construction of projects and leases of projects or contracts with respect to the use of projects which it causes to be erected or acquired; and any and all persons, firms, and corporations and any and all political subdivisions, departments, institutions, or agencies of the state are authorized to enter into contracts, leases, or agreements with the authority upon such terms for such purposes as they deem advisable; and, without limiting the generality of the above, authority is specifically granted to municipal corporations, counties, and the authority to enter into contracts, lease agreements, or other undertakings relative to the furnishing of services and facilities by the authority to such municipal corporations and counties or relative to the furnishing of facilities and services by municipal corporations, counties, corporations, or individuals to the authority for a term not exceeding 50 years;

(6) To plan, design, construct, erect, acquire, own, lease, repair, remodel, maintain, add to, extend, improve, equip, operate, and manage projects, the cost of any such project to be paid in whole or in part from the proceeds of revenue bonds, notes, or other funds of the authority, from the contracting for services, or from such proceeds or other funds and any grant from the United States, the State of Georgia, or any political subdivision, agency, or instrumentality thereof;

(7) To accept loans and grants of money or materials or property of any kind from the United States or any agency or instrumentality thereof, upon such terms and conditions as the United States or any agency or instrumentality thereof may impose;

(8) To accept loans and grants of money or materials or property of any kind from the State of Georgia or any agency or instrumentality or political subdivision thereof, upon such terms and conditions as the State of Georgia or any agency or instrumentality or political subdivision thereof may impose;

(9) To borrow money for any of its corporate purposes, to execute notes or other evidences of such indebtedness, to secure the same, to issue revenue bonds payable solely from funds pledged for that purpose, and to provide for the payment of the same and for the rights of the holders thereof;

(10) To exercise any power usually possessed by private corporations performing similar functions which is not in conflict with the Constitution and laws of this state;

(11) To sell, lease, grant, exchange, or otherwise dispose of any surplus property, both real and personal, or interest therein not required in the normal operation of and usable in the furtherance of the purpose for which the authority was created;

(12) To borrow money for any of its corporate purposes from any bank, banks, or other lending institutions; to execute notes or other evidences of such indebtedness; and to secure the same by assigning all rights and pledging all funds to be received by the authority from a contract or lease entered into by the authority and any political subdivision or governmental body;

(13) To exercise any power which is usually possessed by private corporations performing similar functions and which is not in conflict with the Constitution and laws of this state; and

(14) To do all things necessary or convenient to carry out the powers expressly given in this Act.

SECTION 6.

Revenue bonds.

The authority, or any authority or body which has or which may in the future succeed to the powers, duties, and liabilities vested in the authority created by this Act, shall have power and is authorized at one time or from time to time to provide by resolution for the issuance of revenue bonds for the purpose of paying all or any part of the cost as defined in this Act of any one or more projects. The principal of and interest on such revenue bonds shall be payable from the special fund provided for in this Act for such payment. The bonds of each issue shall be dated; shall bear interest at such rate or rates as determined by the authority, payable on such dates as determined by the authority; shall mature at such time or times not exceeding 40 years from their date or dates; shall be payable in such medium of payment as to both principal and interest as may be determined by the authority; and may be made redeemable before maturity at the option of the authority at such price or prices and under such terms and conditions as may be fixed by the authority in the resolution providing for the issuance of the bonds. Such revenue bonds or obligations shall be issued pursuant to and in conformity with Article 3 of Chapter 82 of Title 36 of the O.C.G.A., the "Revenue Bond Law," and all procedures pertaining to such issuance and the conditions thereof shall be the same as those contained in said article and any amendments thereto.

SECTION 7.

Bonds for essential purpose.

All revenue bonds issued under this Act are declared to be issued for an essential public and governmental purpose, and said bonds and the income thereof shall be exempt from all taxation within the state.

SECTION 8.
Sale of bonds.

The authority may sell bonds in such manner and for such price as it may determine to be in the best interests of the authority through negotiated or public sale, and the proceeds derived from the sale of such bonds shall be used solely for the purpose provided in the proceedings authorizing the issuance of such bonds.

SECTION 9.
Conditions for issuance of bonds.

Such revenue bonds may be issued without any other proceedings or the happening of any other conditions or things than those proceedings, conditions, and things which are specified or required by this Act and by Article 3 of Chapter 82 of Title 36, the "Revenue Bond Law." Any resolution providing for the issuance of revenue bonds under the provisions of this Act shall become effective immediately upon its passage and need not be published or posted, and any such resolution may be passed at any regular or special or adjourned meeting of the authority by a majority of its members.

SECTION 10.
Revenue bonds not debt.

Revenue bonds issued under the provisions of this Act shall not be deemed to constitute a debt of the State of Georgia or any political subdivision thereof, nor a pledge of the faith and credit thereof; but such bonds shall be payable solely from the rentals, revenues, earnings, and funds of the authority as provided in the resolution or trust agreement or indenture authorizing the issuance and securing the payment of such bonds; and the issuance of such revenue bonds shall not directly, indirectly, or contingently obligate the state or any political subdivision thereof to levy or to pledge any form of taxation whatsoever therefor or to make any appropriation for their payment, and all such bonds shall contain recitals on their fact covering substantially the foregoing provisions of this section. However, any other political subdivision contracting with the authority may obligate itself to pay the amounts required under any contract entered into with the authority from funds received from taxes to be levied and collected for that purpose to the extent necessary to pay the obligations contractually incurred under this section and from any other source. The obligation to make such payments shall constitute a general obligation and a pledge of the full faith and credit of the obligor but shall not constitute a debt of the obligor within the meaning of Article IX, Section V, Paragraph I of the Constitution. When such obligation is made to make such payments from taxes to be levied for that purpose, then the obligation shall be mandatory to levy and collect such taxes from year to year in an amount sufficient to fulfill and fully comply with the terms of such obligation.

SECTION 11.
Sinking fund.

The revenue, rents, and earnings derived from any particular project or projects and any and all revenue, rents, and earnings received by the authority, regardless of whether such revenue, rents, and earnings were produced by a particular project for which bonds have been issued, unless otherwise pledged, may be pledged by the authority for payment of the principal of and interest on the revenue bonds of the authority as may be provided in any resolution authorizing the issuance of such bonds or in any trust instrument pertaining to such bonds. Such funds so pledged, from whatever source received, may include funds received from one or more or all sources and may be set aside at regular intervals into sinking funds for which provision may be made in any such resolution or trust instrument and which may be pledged to and charged with the payment of:

(1) The interest upon such revenue bonds as such interest shall become due;

(2) The principal of the bonds as the same shall mature;

(3) The necessary charges of any trustee or paying agent for paying such principal and interest; and

(4) Any premium upon bonds retired by call or purchase.

The use and disposition of any sinking fund may be subject to such regulation as may be provided for in the resolution authorizing the issuance of the bonds or in the trust instrument securing the payment of the same.

SECTION 12.
Exemption from taxation.

The exercise of the powers conferred upon the authority under this Act shall constitute an essential governmental function for a public purpose, and the authority shall be required to pay no taxes or assessments upon any of the property acquired by it or under its jurisdiction, control, possession, or supervision; upon its activities in the operation and maintenance of property acquired by it or buildings erected or acquired by it; upon any fees, rentals, or other charges for the use of such property or buildings; or upon other income received by the authority.

SECTION 13.
Immunity from tort actions.

The authority shall have the same immunity and exemption from liability for torts and negligence as the State of Georgia, and the officers, agents, and employees of the authority, when in performance of work of the authority, shall have the same immunity and exemption from liability for torts and negligence as officers, agents, and employees of the State of Georgia. The authority may be sued the same as private corporations on any contractual obligation of the authority.

SECTION 14.
Property not subject to levy and sale.

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

SECTION 15.
Venue and jurisdiction.

Any action to protect or enforce any rights under the provisions of this Act or any suit or action against the authority shall be brought in the Superior Court of Mitchell County, Georgia, and any action pertaining to validation of any bonds issued under the provisions of this Act shall likewise be brought in said court which shall have exclusive, original jurisdiction of such actions.

SECTION 16.
Validation of bonds.

Bonds of the authority shall be confirmed and validated in accordance with the procedures set forth in Article 3 of Chapter 82 of Title 36 of the O.C.G.A., the "Revenue Bond Law." The petition for validation shall also make party defendant to such action the State of Georgia or any municipality, county, authority, political subdivision, or instrumentality of the State of Georgia or the United States or any department or agency thereof, if subject to being sued and if consenting to same, which has contracted with the authority for the services and facilities of the project for which bonds are to be issued and sought to be validated. The state or such municipality, county, authority, political subdivision, or instrumentality shall be required to show cause, if any, why such contract or contracts and the terms and conditions thereof should not be inquired into by the court and the validity of the terms thereof be determined and the contract or contracts adjudicated as part of the basis of the security for the payment of any such bonds of the authority. The bonds when validated, and the judgment of validation, shall be final and conclusive with respect to such bonds, the security for the payment thereof, and interest thereon and against the authority issuing the same and the state and any municipality, county, authority, political subdivision, or instrumentality, if a party to the validation proceedings, contracting with the authority.

SECTION 17.
Interest of bondholders protected.

While any of the bonds issued by the authority remain outstanding, the powers, duties, or existence of said authority or of its officers, employees, or agents shall not be diminished or impaired in any manner that will affect adversely the interests and rights of the holders of such bonds, and no other entity, department, agency, or authority will be created which will compete with the authority to such an extent

as to affect adversely the interests and rights of the holders of such bonds, nor will the state itself so compete with the authority. The provisions of this Act shall be for the benefit of the authority and the holders of any such bonds, and the issuance of bonds under the provisions of this Act shall constitute a contract with the holders of such bonds.

SECTION 18.
Trust funds.

All funds received pursuant to authority hereof, whether as proceeds from the sale of revenue bonds or as revenue, rents, fees, charges, or other earnings or as grants, gifts, or other contributions, shall be deemed to be trust funds to be held and applied by the authority, solely as provided herein. The bondholders entitled to receive the benefits of such funds shall have a lien on all such funds until the same are applied as provided for in any such resolution or trust instrument of the authority.

SECTION 19.
Construction.

This Act and any other law enacted with reference to the authority shall be liberally construed for the accomplishment of the purposes of the authority.

SECTION 20.
Scope of operations.

The scope of the authority's operation shall be limited to the territory embraced within Colquitt, Grady, Mitchell, and Thomas counties; provided, however, that nothing in this Act shall be construed as prohibiting the authority from providing services or facilities to political subdivisions or other public bodies outside of such territory pursuant to an intergovernmental contract.

SECTION 21.
Repealer.

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

March 7, 2001

Representative Richard Royal
District 164
State Capitol, Room 135
Atlanta, Georgia 30334

Dear Representative Royal: