

(Printed June 1, 2000)
36-42-1. Short title.

This chapter may be referred to as the "**Downtown Development Authorities Law.**"

(Ga. L. 1981, p. 1744, § 1.)

36-42-2. Legislative purpose.

The revitalization and redevelopment of the central business districts of the municipal corporations of this state develop and promote for the public good and general welfare trade, commerce, industry, and employment opportunities and promote the general welfare of this state by creating a climate favorable to the location of new industry, trade, and commerce and the development of existing industry, trade, and commerce within the municipal corporations of this state. Revitalization and redevelopment of central business districts by financing projects under this chapter will develop and promote for the public good and general welfare trade, commerce, industry, and employment opportunities and will promote the general welfare of this state. It is, therefore, in the public interest and is vital to the public welfare of the people of this state, and it is declared to be the public purpose of this chapter, so to revitalize and redevelop the central business districts of the municipal corporations of this state. No bonds, notes, or other obligations, except refunding bonds, shall be issued by an authority under this chapter unless its board of directors adopts a resolution finding that the project for which such bonds, notes, or other obligations are to be issued will promote the foregoing objectives.

(Ga. L. 1981, p. 1744, § 9.)

36-42-3. Definitions.

As used in this chapter, the term:

(1) "Authority" means each public body corporate and politic created pursuant to this chapter.

(2) "Cost of the project" or "cost of any project" means and includes:

(A) All costs of acquisition (by purchase or otherwise), construction, assembly, installation, modification, renovation, or rehabilitation incurred in connection with any project or any part of any project;

(B) All costs of real property, fixtures, or personal property used in or in connection with or necessary for any project or for any facilities related thereto, including, but not limited to, the cost of all land, estates for years, easements, rights, improvements, water rights, connections for utility services, fees, franchises, permits, approvals, licenses, and certificates; the cost of securing any such franchises, permits, approvals, licenses, or certificates; and the cost of preparation of any application therefor and the cost of all fixtures, machinery, equipment, furniture, and other property used in or in connection with or necessary for any project;

(C) All financing charges and loan fees and all interest on revenue bonds, notes, or other obligations of an authority which accrues or is paid prior to and during the period of construction of a project and during such additional period as the authority may reasonably determine to be necessary to place such project in operation;

(D) All costs of engineering, surveying, and architectural and legal services and all expenses incurred by engineers, surveyors, architects, and attorneys in connection with any project;

(E) All expenses for inspection of any project;

(F) All fees of fiscal agents, paying agents, and trustees for bondholders under any trust agreement, indenture of trust, or similar instrument or agreement; all expenses incurred by any such fiscal agents, paying agents, and trustees; and all other costs and expenses incurred relative to the issuance of any revenue bonds, notes, or other obligations for any project;

(G) All fees of any type charged by an authority in connection with any project;

(H) All expenses of or incidental to determining the feasibility or practicability of any project;

(I) All costs of plans and specifications for any project;

(J) All costs of title insurance and examinations of title with respect to any project;

(K) Repayment of any loans made for the advance payment of any part of any of the foregoing costs, including interest thereon and any other expenses of such loans;

(L) Administrative expenses of the authority and such other expenses as may be necessary or incidental to any project or the financing thereof or the placing of any project in operation; and

(M) The establishment of a fund or funds for the creation of a debt service reserve, a renewal and replacement reserve, or such other funds or reserves as the

authority may approve with respect to the financing and operation of any project and as may be authorized by any bond resolution, trust agreement, indenture of trust, or similar instrument or agreement pursuant to the provisions of which the issuance of any revenue bonds, notes, or other obligations of the authority may be authorized.

Any cost, obligation, or expense incurred for any of the foregoing purposes shall be a part of the cost of the project and may be paid or reimbursed as such out of proceeds of revenue bonds, notes, or other obligations issued by the authority.

(3) "Downtown development area" means the geographical area within a municipal corporation designated as such by the resolution of the governing body activating the authority for such municipal corporation as modified by any subsequent resolution of the governing body of such municipal corporation.

(4) "Governing body" means the elected or duly appointed officials constituting the governing body of any municipal corporation in the State of Georgia.

(5) "Municipal corporation" means any city or town in this state.

(6) "Project" means the acquisition, construction, installation, modification, renovation, or rehabilitation of land, interests in land, buildings, structures, facilities, or other improvements located or to be located within the downtown development area, and the acquisition, installation, modification, renovation, rehabilitation, or furnishing of fixtures, machinery, equipment, furniture, or other property of any nature whatsoever used on, in, or in connection with any such land, interest in land, building, structure, facility, or other improvement, any undertaking authorized by Chapter 36 of this title as part of a central business improvement district, any undertaking authorized in Chapter 44 of this title, the "Redevelopment Powers Law," when the downtown development authority has been designated as a redevelopment agency, or any undertaking authorized in Chapter 61 of this title, the "Urban Redevelopment Law," when the downtown development authority has been designated as an urban redevelopment agency, all for the essential public purpose of the development of trade, commerce, industry, and employment opportunities in its authorized area of operation. A project may be for any industrial, commercial, business, office, parking, public, or other use, provided that a majority of the members of the authority determine, by a duly adopted resolution, that the project and such use thereof would further the public purpose of this chapter. Such term shall include any one or more buildings or structures used or to be used as a not for profit hospital, not for profit skilled nursing home, or not for profit intermediate care home subject to regulation and licensure by the Department of Human Resources and all necessary, convenient, or related interests in land, machinery, apparatus, appliances, equipment, furnishings, appurtenances, site preparation, landscaping, and physical amenities.

(7) "Revenue bonds" or "bonds" means any bonds of an authority which are authorized to be issued under the Constitution and laws of Georgia, including refunding bonds but not including notes or other obligations of an authority.

(Ga. L. 1981, p. 1744, § 1; Ga. L. 1988, p. 1463, § 1; Ga. L. 1992, p. 6, § 36; Ga. L. 1992, p. 2533, § 1.)

36-42-4. Creation of authorities; appointment and terms of directors; quorum.

There is created in and for each municipal corporation in this state a public body corporate and politic to be known as the downtown development authority of such municipal corporation, which shall consist of a board of seven directors. The governing body of the municipal corporation shall appoint two members of the first board of directors for a term of two years each, two for a term of four years each, and three for a term of six years each. The governing body of the municipal corporation may appoint one of its elected members as a member of the downtown development authority. After expiration of the initial terms, except for the director who is also a member of the governing body of the municipal corporation, the terms of all directors shall be six years; provided, however, that the terms shall be four years for those directors appointed or reappointed on or after July 1, 1994. The term of a director who is also a member of the governing body of a municipal corporation shall end when such director is no longer a member of the governing body of the municipal corporation. If at the end of any term of office of any director a successor to such director has not been elected, the director whose term of office has expired shall continue to hold office until a successor is elected. A majority of the board of directors shall constitute a quorum.

(Ga. L. 1981, p. 1744, § 2; Ga. L. 1992, p. 2533, § 2; Ga. L. 1994, p. 1006, § 1.)

36-42-5. Activation of authority by resolution; filing of resolution with Secretary of State and Department of Community Affairs; comments by Department of Community Affairs.

(a) No authority shall transact any business or exercise any powers under this chapter until the governing body of the municipal corporation shall, by proper resolution, declare that there is a need for an authority to function in such municipal corporation, thereby activating the authority. In its resolution, the governing body shall designate as the downtown development area that geographical area within the municipal corporation which, in the judgment of the governing body, constitutes the central business district and shall appoint the initial directors of the authority.

(b) A copy of the governing body's resolution shall be filed with the Secretary of State, who shall maintain a record of all authorities activated under this chapter, and with the Department of Community Affairs. The Department of Community Affairs may, but shall not be required to, furnish written comments to any authority within 30 days after the governing body's resolution is filed with the Department of Community Affairs.

Any such comments shall be furnished by the authority to the governing body of the municipal corporation which activated the authority. Such comments shall be informational only and shall not affect any action taken or to be taken by any authority or governing body, and no action of the authority or the governing body shall be required in response to any such comments. The requirements of this subsection relating to filing with the Department of Community Affairs shall apply only to authorities originally activated after July 1, 1983.

(Ga. L. 1981, p. 1744, § 3; Ga. L. 1983, p. 1346, § 1.)

36-42-6. Action by resolution subsequent to activating authority.

The governing body of the municipal corporation may, by proper resolution adopted subsequent to its resolution activating its authority:

(1) Change its designation of the downtown development area to a geographical area within the municipal corporation which, in the judgment of the governing body, at the time constitutes the central business district, provided that any such change in the downtown development area shall be effective prospectively from the adoption of the resolution providing therefor and shall not affect any project of, or any action taken by, the authority within or with respect to the downtown development area as defined prior to such change becoming effective; and

(2) Appoint directors of the authority which the governing body of the municipal corporation is authorized to appoint; and

(3) Disapprove any proposed issue of revenue bonds, notes, or other obligations of the authority, in the manner provided in this chapter.

(Ga. L. 1981, p. 1744, § 4; Ga. L. 1983, p. 1346, § 2.)

36-42-7. Qualifications and reimbursement of directors; election of officers; training.

(a) Directors shall be:

(1) Taxpayers residing in the municipal corporation for which the authority is created;

(2) Owners or operators of businesses located within the downtown development area and who shall be taxpayers residing in the county in which is located the municipal corporation for which the authority is created; or

(3) Persons having a combination of the qualifications specified in paragraphs (1) and (2) of this subsection;

provided, however, that one of such directors may be a member of the governing body of the municipal corporation.

(b) Not less than four of the directors having the qualifications specified in subsection (a) of this Code section shall be persons who, in the judgment of the governing body of the municipal corporation, either have or represent a party who has an economic interest in the redevelopment and revitalization of the downtown development area. Successors to the directors shall be appointed by the governing body of the municipal corporation.

(c) The directors shall elect one of their members as chairman and another as vice chairman and shall also elect a secretary and a treasurer or a secretary-treasurer, either of whom may but need not be a director. The directors shall receive no compensation for their services but shall be reimbursed for actual expenses incurred by them in the performance of their duties. Each authority shall have perpetual existence.

(d) Except for a director who is also a member of the governing body of a municipal corporation, each director shall attend and complete at least eight hours of training on downtown development and redevelopment programs within the first 12 months of a director's appointment to the downtown development authority. Directors in office on January 1, 1992, shall be exempt from this requirement unless reappointed for an additional term.

(Ga. L. 1981, p. 1744, § 5; Ga. L. 1990, p. 570, § 1; Ga. L. 1991, p. 94, § 36; Ga. L. 1992, p. 2533, § 2.)

36-42-8. Powers of authorities generally.

(a) Each authority shall have all of the powers necessary or convenient to carry out and effectuate the purposes and provisions of this chapter, including, without limiting the generality of the foregoing, the power:

(1) To bring and defend actions;

(2) To adopt and amend a corporate seal;

(3) To make and execute contracts, agreements, and other instruments necessary or convenient to exercise the powers of the authority or to further the public purpose for which the authority is created, including, but not limited to, contracts for construction of projects, leases of projects, contracts for sale of projects, agreements for loans to finance projects, contracts with respect to the use of projects, and agreements to join or cooperate with an urban residential finance authority, created by the municipal corporation within which the downtown development area is located

pursuant to the provisions of Chapter 41 of this title, in the exercise, either jointly or otherwise, of any or all of its powers for the purpose of financing, including the issuance of revenue bonds, notes, or other obligations of the authorities, planning, undertaking, owning, constructing, operating, or contracting with respect to any projects located within the downtown development area;

(4) To acquire by purchase, lease, or otherwise and to hold, lease, and dispose of real and personal property of every kind and character, or any interest therein, in furtherance of the public purpose of the authority;

(5) To finance (by loan, grant, lease, or otherwise), refinance, construct, erect, assemble, purchase, acquire, own, repair, remodel, renovate, rehabilitate, modify, maintain, extend, improve, install, sell, equip, expand, add to, operate, or manage projects and to pay the cost of any project from the proceeds of revenue bonds, notes, or other obligations of the authority or any other funds of the authority, or from any contributions or loans by persons, corporations, partnerships (whether limited or general), or other entities, all of which the authority is authorized to receive, accept, and use;

(6) To borrow money to further or carry out its public purpose and to execute revenue bonds, notes, other obligations, leases, trust indentures, trust agreements, agreements for the sale of its revenue bonds, notes, or other obligations, loan agreements, mortgages, deeds to secure debt, trust deeds, security agreements, assignments, and such other agreements or instruments as may be necessary or desirable, in the judgment of the authority, to evidence and to provide security for such borrowing;

(7) To issue revenue bonds, notes, or other obligations of the authority and use the proceeds thereof for the purpose of paying, or loaning the proceeds thereof to pay, all or any part of the cost of any project and otherwise to further or carry out the public purpose of the authority and to pay all costs of the authority incidental to, or necessary and appropriate to, furthering or carrying out such purpose;

(8) To make application directly or indirectly to any federal, state, county, or municipal government or agency or to any other source, whether public or private, for loans, grants, guarantees, or other financial assistance in furtherance of the authority's public purpose and to accept and use the same upon such terms and conditions as are prescribed by such federal, state, county, or municipal government or agency or other source;

(9) To enter into agreements with the federal government or any agency thereof to use the facilities or services of the federal government or any agency thereof in order to further or carry out the public purposes of the authority;

(10) To contract for any period, not exceeding 50 years, with the State of Georgia, state institutions, or any municipal corporation or county of this state for the use by the authority of any facilities or services of the state or any such state institution, municipal corporation, or county, or for the use by any state institution or any municipal corporation or county of any facilities or services of the authority, provided that such contracts shall deal with such activities and transactions as the authority and any such political subdivision with which the authority contracts are authorized by law to undertake;

(11) To extend credit or make loans to any person, corporation, partnership (whether limited or general), or other entity for the costs of any project or any part of the costs of any project, which credit or loans may be evidenced or secured by loan agreements, notes, mortgages, deeds to secure debt, trust deeds, security agreements, assignments, or such other instruments, or by rentals, revenues, fees, or charges, upon such terms and conditions as the authority shall determine to be reasonable in connection with such extension of credit or loans, including provision for the establishment and maintenance of reserve funds; and, in the exercise of powers granted by this chapter in connection with any project, the authority shall have the right and power to require the inclusion in any such loan agreement, note, mortgage, deed to secure debt, trust deed, security agreement, assignment, or other instrument of such provisions or requirements for guaranty of any obligations, insurance, construction, use, operation, maintenance, and financing of a project, and such other terms and conditions, as the authority may deem necessary or desirable;

(12) As security for repayment of any revenue bonds, notes, or other obligations of the authority, to pledge, mortgage, convey, assign, hypothecate, or otherwise encumber any property of the authority (including, but not limited to, real property, fixtures, personal property, and revenues or other funds) and to execute any lease, trust indenture, trust agreement, agreement for the sale of the authority's revenue bonds, notes, or other obligations, loan agreement, mortgage, deed to secure debt, trust deed, security agreement, assignment, or other agreement or instrument as may be necessary or desirable, in the judgment of the authority, to secure any such revenue bonds, notes, or other obligations, which instruments or agreements may provide for foreclosure or forced sale of any property of the authority upon default in any obligation of the authority, either in payment of principal, premium, if any, or interest or in the performance of any term or condition contained in any such agreement or instrument. The State of Georgia, on behalf of itself and each county, municipal corporation, political subdivision, or taxing district therein, waives any right it or such county, municipal corporation, political subdivision, or taxing district may have to prevent the forced sale or foreclosure of any property of the authority upon such default and agrees that any agreement or instrument encumbering such property may be foreclosed in accordance with law and the terms thereof;

(13) To receive and use the proceeds of any tax levied by a municipal corporation to pay the costs of any project or for any other purpose for which the authority may use its own funds pursuant to this chapter;

(14) To receive and administer gifts, grants, and devises of money and property of any kind and to administer trusts;

(15) To use any real property, personal property, or fixtures or any interest therein or to rent or lease such property to or from others or make contracts with respect to the use thereof, or to sell, lease, exchange, transfer, assign, pledge, or otherwise dispose of or grant options for any such property in any manner as it deems to the best advantage of the authority and the public purpose thereof;

(16) To acquire, accept, or retain equitable interests, security interests, or other interests in any real property, personal property, or fixtures by loan agreement, note, mortgage, deed to secure debt, trust deed, security agreement, assignment, pledge, conveyance, contract, lien, loan agreement, or other consensual transfer in order to secure the repayment of any moneys loaned or credit extended by the authority;

(17) To appoint, select, and employ engineers, surveyors, architects, urban or city planners, fiscal agents, attorneys, and others and to fix their compensation and pay their expenses;

(18) To encourage and promote the improvement and revitalization of the downtown development area and to make, contract for, or otherwise cause to be made long-range plans or proposals for the downtown development area in cooperation with the municipal corporation within which the downtown development area is located;

(19) To adopt bylaws governing the conduct of business by the authority, the election and duties of officers of the authority, and other matters which the authority determines to deal with in its bylaws;

(20) To exercise any power granted by the laws of this state to public or private corporations which is not in conflict with the public purpose of the authority;

(21) To do all things necessary or convenient to carry out the powers conferred by this chapter;

(22) To serve as an urban redevelopment agency pursuant to Chapter 61 of this title;

(23) To contract with a municipal corporation to carry out supplemental services in a city business improvement district established pursuant to Chapter 43 of this title; and

(24) To serve as a redevelopment agency pursuant to Chapter 44 of this title.

(b) The powers enumerated in each paragraph of subsection (a) of this Code section are cumulative of and in addition to those powers enumerated in the other paragraphs of subsection (a) of this Code section and elsewhere in this chapter; and no such power limits or restricts any other power of the authority.

(Ga. L. 1981, p. 1744, § 6; Ga. L. 1982, p. 3, § 36; Ga. L. 1988, p. 902, § 1; Ga. L. 1988, p. 1463, § 2; Ga. L. 1992, p. 2533, § 3.)

36-42-8.1. Eminent domain by municipality or authority.

(a) Except as otherwise provided in subsection (c) of this Code section, a municipality or a downtown development authority shall have the right to acquire, by exercise of the power of eminent domain, any real property which it may deem necessary for its purposes under this chapter after its adoption of a resolution declaring that the acquisition of the real property described therein is necessary for such purposes. A municipality or a downtown development authority may exercise the power of eminent domain in the manner provided in Title 22 or it may exercise the power of eminent domain in the manner provided by any other applicable statutory provisions for the exercise of such power. Property already devoted to a public use may be acquired, provided that no real property belonging to the municipality, a county, the state, or any political subdivision thereof may be acquired without its consent.

(b) Whenever condemnation proceedings are instituted and carried on by a municipality or downtown development authority in accordance with subsection (a) of this Code section or through any other method of condemnation provided by law, upon the payment by the municipality or county seeking condemnation of the amount of the award and final judgment on appeal, the municipality or downtown development authority shall become vested with a fee simple indefeasible title to the property to which the condemnation proceedings relate.

(c) A downtown development authority may not acquire real property through the exercise of the power of eminent domain until the following conditions and requirements have been met:

(1) The proposed rehabilitation of the property must be set forth in a downtown development plan adopted by the municipality and incorporated in any comprehensive plan of the municipality submitted to the Department of Community Affairs pursuant to Chapter 70 of this title;

(2) The governing body of the municipality shall adopt a resolution approving the proposed use of eminent domain power by the downtown development authority;

(3) The downtown development authority shall, in writing, notify the owner of the real property proposed to be acquired of the planned rehabilitation of the property as set forth in the downtown development plan for the downtown development area wherein the property is located;

(4) Within 30 days after being so notified, the owner of the property shall have the option of notifying the downtown development authority, in writing, of his willingness and intention to rehabilitate and maintain the property in accordance with the downtown development plan. In the event of multiple ownership of the property, unanimous agreement by the owners shall be required, and the failure of any one owner to notify the downtown development authority within the time limitations specified in this paragraph of his willingness and intention to rehabilitate and maintain the property in accordance with the downtown development plan shall be deemed to be a failure to exercise the option provided in this paragraph; and

(5) The owner of such property may execute an agreement with the downtown development authority to rehabilitate the property in accordance with the downtown development plan. Any such agreement shall be as the downtown development authority deems necessary and appropriate as to form and content. In connection therewith, the downtown development authority shall have the right to require sufficient performance, payment, and completion bonds. In the event that any such owner, at any time, fails to comply with or defaults in the performance of the provisions of the agreement, such property shall no longer be subject to the agreement, the option provided by paragraph (4) of this subsection shall no longer apply, and the property may be acquired by the downtown development authority by purchase or through the exercise of the power of eminent domain. In the alternative, the downtown development authority may either specifically enforce the agreement, exercise any rights under any bonds which may have been required, and obtain any other legal or equitable relief as may be available to the downtown development authority or, if the owner fails to exercise the option to rehabilitate the property or defaults on the agreement to rehabilitate the property, the downtown development authority may implement those portions of the downtown development plan with respect to such property to the extent the authority deems necessary and the costs of implementing such plan shall be a lien against the property enforceable in the same manner as a lien for taxes.

(Code 1981, § 36-42-8.1, enacted by Ga. L. 1992, p. 2533, § 4.)

36-42-9. Revenue bonds generally.

(a) Revenue bonds, notes, or other obligations issued by an authority shall be paid solely from the property (including, but not limited to, real property, fixtures, personal property, revenues, or other funds) pledged, mortgaged, conveyed, assigned,

hypothecated, or otherwise encumbered to secure or to pay such bonds, notes, or other obligations.

(b) All revenue bonds, notes, and other obligations shall be authorized by resolution of the authority, adopted by a majority vote of the directors of the authority at a regular or special meeting.

(c) Reserved.

(d) Revenue bonds, notes, or other obligations shall bear such date or dates, shall mature at such time or times (not more than 40 years from their respective dates), shall bear interest at such rate or rates (which may be fixed or may fluctuate or otherwise change from time to time), shall be subject to redemption on such terms, and shall contain such other terms, provisions, covenants, assignments, and conditions as the resolution authorizing the issuance of such bonds, notes, or other obligations may permit or provide. The terms, provisions, covenants, assignments, and conditions contained in or provided or permitted by any resolution of the authority authorizing the issuance of such revenue bonds, notes, or other obligations shall bind the directors of the authority then in office and their successors.

(e) The authority shall have power from time to time and whenever it deems it expedient to refund any bonds by the issuance of new bonds, whether or not the bonds to be refunded have matured, and may issue bonds partly to refund bonds then outstanding and partly for any other purpose permitted under this chapter. The refunding bonds may be exchanged for the bonds to be refunded, with such cash adjustments as may be agreed upon, or may be sold and the proceeds applied to the purchase or redemption of the bonds to be refunded.

(f) There shall be no limitation upon the amount of revenue bonds, notes, or other obligations which any authority may issue. Any limitations with respect to interest rates or any maximum interest rate or rates found in Article 3 of Chapter 82 of this title, the "Revenue Bond Law," the usury laws of this state, or any other laws of this state shall not apply to revenue bonds, notes, or other obligations of an authority.

(Ga. L. 1981, p. 1744, § 7; Ga. L. 1983, p. 1346, § 3; Ga. L. 1984, p. 941, § 2.)

36-42-10. Applicability of "Revenue Bond Law"; form and provisions for exchange and transfer of bonds; certificate of validation; specification of interest rates in notice to district attorney or Attorney General.

(a) All bonds issued by the authority under this chapter shall be issued and validated under and in accordance with Article 3 of Chapter 82 of this title, the "Revenue Bond Law," except as provided in this chapter, provided that notes and other obligations of the authority may, but shall not be required to, be so validated.

(b) Bonds issued by an authority may be in such form, either coupon or fully registered, or both coupon and fully registered, and may be subject to such exchangeability and transferability provisions, as the bond resolution authorizing the issuance of such bonds or any indenture or trust agreement may provide.

(c) Bonds shall bear a certificate of validation. The signature of the clerk of the superior court of the county in which the issuing authority is located may be made on the certificate of validation of such bonds by facsimile or by manual execution, stating the date on which such bonds were validated; and such entry shall be original evidence of the fact of judgment and shall be received as original evidence in any court in this state.

(d) In lieu of specifying the rate or rates of interest which bonds to be issued by an authority are to bear, the notice to the district attorney or the Attorney General, the notice to the public of the time, place, and date of the validation hearing, and the petition and complaint for validation may state that the bonds when issued will bear interest at a rate not exceeding a maximum per annum rate of interest (which may be fixed or may fluctuate or otherwise change from time to time) specified in such notices and petition and complaint or may state that, in the event the bonds are to bear different rates of interest for different maturity dates, none of such rates will exceed the maximum rate (which may be fixed or may fluctuate or otherwise change from time to time) so specified; provided, however, that nothing in this Code section shall be construed as prohibiting or restricting the right of the authority to sell such bonds at a discount, even if in doing so the effective interest cost resulting therefrom would exceed the maximum per annum interest rate specified in such notices and in the petition and complaint.

(e) The terms "cost of the project" and "cost of any project" shall have the meaning prescribed in this chapter whenever those terms are referred to in bond resolutions of an authority, in bonds, notes, or other obligations of an authority, or in notices or proceedings to validate such bonds, notes, or other obligations of an authority.

(Ga. L. 1981, p. 1744, § 8.)

36-42-11. Agreements and instruments of authority generally; use of proceeds; subsequent issues; bond anticipation notes.

(a) Subject to the limitations and procedures provided by this Code section and by Code Section 36-42-10, the agreements or instruments executed by an authority may contain such provisions not inconsistent with law as shall be determined by the board of directors of the authority.

(b) The proceeds derived from the sale of all bonds, notes, and other obligations issued by an authority shall be held and used for the ultimate purpose of paying, directly or indirectly as permitted in this chapter, all or part of the cost of any project, or for the purpose of refunding any bonds, notes, or other obligations issued in accordance with this chapter.

(c) Issuance by an authority of one or more series of bonds, notes, or other obligations for one or more purposes shall not preclude it from issuing other bonds, notes, or other obligations in connection with the same project or with any other projects; but the proceeding wherein any subsequent bonds, notes, or other obligations are issued shall recognize and protect any prior loan agreement, mortgage, deed to secure debt, trust deed, security agreement, or other agreement or instrument made for any prior issue of bonds, notes, or other obligations, unless in the resolution authorizing such prior issue the right is expressly reserved to the authority to issue subsequent bonds, notes, or other obligations on a parity with such prior issue.

(d) An authority shall have the power and is authorized, whenever bonds of the authority shall have been validated as provided in this chapter, to issue from time to time its notes in anticipation of such bonds as validated and to renew from time to time any such notes by the issuance of new notes, whether or not the notes to be renewed have matured. The authority may issue such bond anticipation notes only to provide funds which would otherwise be provided by the issuance of the bonds as validated. Such notes may be authorized, sold, executed, and delivered in the same manner as bonds. As with its bonds, the authority may sell such notes at public sale or at private sale. Any resolution or resolutions authorizing notes of the authority or any issue thereof may contain any provisions which the authority is authorized to include in any resolution or resolutions authorizing bonds of the authority to any issue thereof; and the authority may include in any notes any terms, covenants, or conditions which the authority is authorized to include in any bonds. Validation of such bonds shall be a condition precedent to the issuance of such notes, but it shall not be required that such notes be judicially validated. Bond anticipation notes shall not be issued in an amount exceeding the par value of the bonds in anticipation of which they are to be issued.

(Ga. L. 1981, p. 1744, § 8.)

36-42-12. Obligations of authorities not public debt of state or political subdivision thereof.

No bonds, notes, or other obligations of, and no indebtedness incurred by, an authority shall constitute an indebtedness or obligation of the State of Georgia or any county, municipal corporation, or political subdivision thereof, nor shall any act of any authority in any manner constitute or result in the creation of an indebtedness of this state or any county, municipal corporation, or political subdivision thereof. No holder or holders of any such bonds, notes, or other obligations shall ever have the right to

compel any exercise of the taxing power of the state or any county, municipal corporation, or political subdivision thereof, nor to enforce the payment thereof against the state or any such county, municipal corporation, or political subdivision.

(Ga. L. 1981, p. 1744, § 11.)

36-42-13. Constitutional authority for enactment of chapter; tax exemption.

This chapter is enacted pursuant to authority granted the General Assembly by the Constitution of Georgia. Each authority created pursuant to this chapter is created for nonprofit and public purposes; and it is found, determined, and declared that the creation of each such authority and the carrying out of its corporate purposes is in all respects for the benefit of the people of this state and that each authority is an institution of purely public charity and will be performing an essential governmental function in the exercise of the power conferred upon it by this chapter; and for such reasons the state covenants with the holders from time to time of the bonds, notes, and other obligations issued under this chapter that no such authority shall be required to pay any taxes or assessments imposed by this state or any counties, municipal corporations, political subdivisions, or taxing districts thereof upon any property acquired by the authority or under its jurisdiction, control, possession, or supervision or leased by it to others or upon its activities in the operation or maintenance of any such property or on any income derived by the authority in the form of fees, recording fees, rentals, charges, purchase price, installments, or otherwise; and that the bonds, notes, and other obligations of each such authority, their transfer, and the income therefrom shall at all times be exempt from taxation within this state. The tax exemption provided for in this Code section shall not include any exemption from sales and use tax on property purchased by the authority or for use by the authority.

(Ga. L. 1981, p. 1744, § 12.)

36-42-14. Effect of chapter on other public authorities.

This chapter shall not affect any other authority existing as of April 17, 1981, or thereafter under general or local constitutional amendment or under general or local law.

(Ga. L. 1981, p. 1744, § 14.)

36-42-15. Construction of chapter; applicability of the "Georgia Securities Act of 1973."

This chapter shall be liberally construed to effect the purposes hereof. The offer, sale, or issuance of bonds, notes, or other obligations by any authority shall not be subject to regulation under Chapter 5 of Title 10, the "Georgia Securities Act of 1973." No notice, proceeding, or publication except those required by this chapter shall be

necessary to the performance of any act authorized by this chapter, nor shall any such act be subject to referendum.

(Ga. L. 1981, p. 1744, § 10.)

36-42-16. Creation of special districts.

Pursuant to Article IX, Section II, Paragraph VI of the Constitution of the State of Georgia, municipalities may create one or more special districts within the area of operation of a downtown development authority for the purpose of levying and collecting taxes, fees, or assessments to pay the cost of any project or to support the exercise of any other powers which the authority may possess.

(Code 1981, § 36-42-16, enacted by Ga. L. 1992, p. 2533, § 5.)