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BOND VALIDATION - GEORGIA

Avery v. State

Supreme Court of Georgia - June 30, 2014 - S.E.2d - 2014 WL 2925147

County petitioned to validate county airport authority revenue bond. Citizens intervened. The Superior Court validated bond. Citizens appealed.

The Supreme Court of Georgia held that:

- Contract between airport authority and county satisfied prerequisites for an intergovernmental contract;
- Contract did not violate Lending Clause;
- Contract did not violate Gratuities Clause; and
- Sufficient public notice was given for bond validation hearing.

Contract between county airport authority and county satisfied prerequisites for an intergovernmental contract, including Intergovernmental Contracts Clause, where it was between appropriate governmental entities, the term did not exceed 50 years, the authority agreed to manage and maintain an expanded taxiway, and the county agreed to provide funding and manage the debt required to be incurred to complete the expansion, which allowed the county to reap the benefit of commercial flight service.

Contract between county airport authority and county did not violate Lending Clause, although bond resolution of airport authority required county to extend its credit, where the credit was extended for its own purposes of the expansion of taxiway.

Contract between county airport authority and county did not violate Gratuities Clause, where authority did not extend a gratuity to a commercial aviation company leasing a large portion of the airport terminal for 20 years by passing bond resolution, where bond resolution extended county's credit for its own purposes of the expansion of taxiway.

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