



May 11, 2026

MEMORANDUM

To: Members, Board of Natural Resources

From: Kate Iannuzzi, Deputy Executive Counsel

Re: Sale of General Obligation Bonds pursuant to the FY 2023-2024 and FY 2026-2027 General Appropriations Acts

In the General Appropriations Acts for FY 2023-2024 and FY 2026-2027, the General Assembly included items for DNR projects with a total value of \$25,650,000 that are to be funded by General Obligation bonds. The Georgia State Financing and Investment Commission (GSFIC) determined that it would be most advantageous to sell the bonds for these projects, along with bonds for other agencies and authorities, in several sales spread throughout the year.

One of those sales is now being considered and includes all \$25,650,000 of DNR's money. The projects that DNR will fund with the proceeds of this sale are \$25,650,000 for the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, structures, equipment or facilities. Of the \$25,650,000 for DNR projects, \$3,800,000 will be issued as federally taxable bonds. This means that they can be used for projects at state owned facilities that are privately operated.

The State Law Department has prepared a Resolution concerning these bonds for consideration by the Board at its next meeting. In the Resolution, the Board requests the issuance of the bonds. A copy of the Resolution is attached for your review.

We would appreciate your favorable consideration of the Resolution.

KLI/Attachments

**RESOLUTION
OF THE
BOARD OF NATURAL RESOURCES**

I. WHEREAS, the Department of Natural Resources (the “Department”) was created as a department of the State of Georgia (the “State”) in accordance with O.C.G.A. § 12-2-1;

II. WHEREAS FURTHER, the Board of Natural Resources (the “Board”), may make such rules and regulations as it may deem advisable to govern the work of the Department and has the power to establish the general policies to be followed by the Department, in accordance with O.C.G.A. § 12-2-24;

III. WHEREAS FURTHER, pursuant to Article VII, Section IV of the Constitution of the State of Georgia (the “Georgia Constitution”), the State may finance certain capital needs directly through the issuance of general obligation debt;

IV. WHEREAS FURTHER, pursuant to Article VII, Section IV, Paragraph VII(a) of the Georgia Constitution, and the “Georgia State Financing and Investment Commission Act”, O.C.G.A. § § 50-17-20 through 50-17-30, as amended (the “Commission Act”), the Georgia State Financing and Investment Commission (the “Commission”) is the agency and instrumentality of the State charged with issuing debt of the State and ensuring the proper application, as provided by law, of the proceeds of such debt to the purposes for which the debt is incurred;

V. WHEREAS FURTHER, Article VII, Section IV, Paragraph I (c) of the Georgia Constitution, and the Commission Act provide that certain general obligation debt (as defined by O.C.G.A. § 50-17-21 (5) and hereinafter “General Obligation Debt”) may be incurred to acquire, construct, develop, extend, enlarge, or improve land, waters, property, highways, buildings, structures, equipment, or facilities of the State, its agencies, departments, institutions, and of those State authorities which were created and activated prior to November 8, 1960;

VI. WHEREAS FURTHER, as set forth in **ATTACHMENT 1** attached hereto and incorporated herein, the General Assembly of the State of Georgia (the “General Assembly”) has passed various appropriations acts authorizing amounts from state general funds to be appropriated for the purpose of financing certain capital projects through the issuance of General Obligation Debt, and such appropriations are more fully set forth in such **ATTACHMENT 1**;

VII. WHEREAS FURTHER, with respect to the appropriations set forth in **ATTACHMENT 1** hereto, the State previously has issued General Obligation Debt as indicated and there remains the General Obligation Debt available, as more fully set forth in **ATTACHMENT 1** hereto;

VIII. WHEREAS FURTHER, the Board finds an immediate need for certain project funding for the purposes of financing some or all of the projects and facilities associated with the appropriations set forth in **ATTACHMENT 1** hereto (the “Projects”) in the aggregate principal amount of \$25,650,000;

IX. WHEREAS FURTHER, the Board therefore desires to request the issuance of \$25,650,000 in aggregate principal amount of State of Georgia General Obligation Bonds, the instruments of which shall have maturities not in excess of the respective appropriations set forth in **ATTACHMENT 1** hereto (the “General Obligation Bonds”), for the purpose of financing some or all of the Projects;

X. WHEREAS FURTHER, the Board is aware that the “Tax-Exempt Projects” (as defined below) shall be completed with proceeds derived from the sale of the General Obligation Bonds with the intent that interest on such General Obligation Bonds be excludable from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”) (such General Obligation Bonds being referred to as the “Tax-Exempt Bonds”);

XI. WHEREAS FURTHER, the Board is aware of the provisions and requirements of the Code and the regulations issued thereunder respecting arbitrage bonds and private activity bonds, and is aware that the Projects must proceed with due diligence and be timely completed following receipt of the proceeds derived from the sale of the General Obligation Bonds (the “Bond Proceeds”);

XII. WHEREAS FURTHER, as used in this resolution (the “Resolution”):

A. “Private Use Projects” shall mean the projects and facilities associated with those appropriations, as set forth in **ATTACHMENT 1** hereto, designated as “**FEDERALLY TAXABLE**”, that may give rise to “private business use” within the meaning of Section 141(b)(1) of the Code;

B. “Private Use Bonds” shall mean the federally taxable General Obligation Bonds applicable to the Private Use Projects;

C. “Private Business Use Proceeds” shall mean that portion of the Bond Proceeds derived from the sale of the Private Use Bonds;

D. “Tax-Exempt Projects” shall mean the Projects, excluding the Private Use Projects, financed with the proceeds of the Tax-Exempt Bonds;

E. “Tax-Exempt Proceeds” shall mean the Bond Proceeds derived from the sale of the Tax-Exempt Bonds;

XIII. WHEREAS FURTHER, the Board intends to use all or a portion of the Private Business Use Proceeds for certain purposes that may give rise to “private business use”, as defined by Section 141 of the Code and thus is requesting that the Private Use Bonds be issued as federally taxable bonds,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF NATURAL RESOURCES THAT:

SECTION 1.

The Board hereby approves and authorizes the Projects.

SECTION 2.

The Board hereby requests the Georgia State Financing and Investment Commission to undertake to issue \$25,650,000 in aggregate principal amount of State of Georgia General Obligation Bonds, the instruments of which shall have maturities not in excess of the respective appropriations set forth in **ATTACHMENT 1** hereto, for the purpose of financing some or all of the Projects.

SECTION 3.

The Board intends to use all or a portion of the Private Business Use Proceeds for certain purposes that may give rise to "private business use", as defined by Section 141 of the Code, and therefore the Board requests that the Private Use Bonds be issued as federally taxable bonds.

SECTION 4.

The Board hereby determines and agrees that:

- (a) the plans for the Tax-Exempt Projects are sufficiently complete such that substantial binding obligations to a third party or parties (as defined in the regulations issued under the Code), involving the expenditure of at least five percent (5%) of the Tax-Exempt Proceeds herein requested, to commence or acquire the Tax-Exempt Projects will be incurred within six (6) months after the issuance of such Tax-Exempt Bonds;
- (b) eighty-five percent (85%) of the Tax-Exempt Proceeds herein requested will be expended within three (3) years after the issuance of such Tax-Exempt Bonds;
- (c) the Tax-Exempt Proceeds herein requested, and anticipated investment proceeds (net of interest on such Tax-Exempt Bonds during the estimated period of construction), will not exceed the amount necessary for the governmental purposes of financing the Tax-Exempt Projects;
- (d) during the time the Tax-Exempt Bonds herein requested are outstanding, the Department will not take, permit to be taken, or fail to take, any action which would cause such Tax-Exempt Bonds to be deemed private activity bonds or arbitrage bonds under the Code;
- (e) the Department will not use the Tax-Exempt Proceeds herein

requested, or the Tax-Exempt Projects financed with such Tax-Exempt Proceeds, for any non-governmental purpose, or any purpose that would give rise to private business use within the meaning of the Code, except for those specific instances in which the Department has previously consulted with the Commission;

(f) the term of the Tax-Exempt Bonds related to the Tax-Exempt Projects will not be longer than 120% of the reasonably expected economic life of the Tax-Exempt Projects financed thereunder;

(g) no Tax-Exempt Proceeds herein requested will be used for reimbursement of any Tax-Exempt Project expenditures which were made before the anticipated delivery date of such Tax-Exempt Bonds, except in situations where, prior to any such expenditure, the Department has obtained a declaration of "Official Intent" (as defined by the Code) from the Commission, or the Department has been otherwise advised in writing by the Commission that such reimbursement will be permitted, it being the intention of the Department to comply in all respects with Section 1.150-2 of the regulations under the Code;

(h) all of the expenditures of the Tax-Exempt Proceeds for the Tax-Exempt Projects will constitute capital expenditures (as defined in Section 1.150-1(b) of the regulations under the Code);

(i) with respect to the Tax-Exempt Projects, all of the Tax-Exempt Proceeds will be allocated to Tax-Exempt Project expenditures no later than the earlier of: (i) eighteen (18) months after the date such Tax-Exempt Project is placed in service, or (ii) five (5) years after the issuance of such Tax-Exempt Bonds; any unallocated Tax-Exempt Proceeds remaining after the earlier of such dates shall be transferred to the Commission and used to redeem outstanding tax-exempt General Obligation Debt of the applicable issue.

SECTION 5.

The Board hereby determines and agrees that with respect to any Department project previously financed with proceeds of General Obligation Debt issued by the State with the intent that:

(a) the interest on such bonds be excludable from gross income for federal income tax purposes pursuant to Section 103 of the Code; or

(b) such bonds at the time of their issuance were designated by the State as Build America Bonds under Section 54AA of the Code;

and where any such bonds remain outstanding (including any refunding bonds), the Board certifies that such project(s) are not now being used for any private business use within the

meaning of pertinent provisions of the Code, except for those specific instances in which the Department has identified to the Commission such use of the project(s) and (i) provision was made so as to retire, redeem or defease any and all then-remaining outstanding bonds for the project(s) concurrent with such use, or (ii) the Commission has determined that the aforementioned retirement, redemption or defeasance is not required to maintain the tax-exempt or Build America Bond status of such bonds.

SECTION 6.

The Commissioner of the Department, the Chairperson of the Board, the Secretary of the Board, and their valid delegates each are hereby authorized and directed to execute any instruments and take whatever action which may be necessary in connection with the issuance of the General Obligation Bonds by the Commission, including, but not limited to, the preparation and execution of answers in connection with any legal proceeding as to the validity of any action by the Board with respect to the issuance of the General Obligation Bonds by the Commission. The Attorney General or any Assistant Attorney General of the State are authorized to execute Acknowledgment of Service and Waiver of Process in such legal proceedings.

SECTION 7.

All attachments, exhibits and schedules attached hereto or referenced in this resolution (the “Resolution”) are hereby incorporated herein and made a part hereof.

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This Resolution is hereby adopted this _____ day of _____, 2026.

**CHAIRPERSON
BOARD OF NATURAL RESOURCES**

ATTEST:

**SECRETARY
BOARD OF NATURAL RESOURCES**

ATTACHMENT 1

DEPARTMENT OF NATURAL RESOURCES APPROPRIATIONS

Pursuant to Paragraphs I through III of Section IV of Article VII of the Georgia Constitution, the General Assembly has passed various appropriations acts set forth in this Attachment 1, so as to make certain appropriations to the State of Georgia General Obligation Debt Sinking Fund for the purpose of financing certain capital projects through the issuance of General Obligation Debt.

H.B. 19, State Fiscal Year 2023-2024:

The General Appropriations Act for State Fiscal Year 2023-2024 (commencing at p. 1 of 264, Act No. 351, 2023 Regular Session, H.B. 19) signed by the Governor on May 5, 2023, as amended by the Supplementary Appropriations Act for State Fiscal Year 2023-2024 (commencing at p. 1 of 210, Act No. 366, 2024 Regular Session, H.B. 19) signed by the Governor on February 29, 2024.

H.B. 974, State Fiscal Year 2026-2027:

The General Appropriations Act for State Fiscal Year 2026-2027 (commencing at p. 1 of 156, 2026 Regular Session, H.B. 974).

[Remainder of page intentionally left blank]

H.B.	Bond	Appropriation	General Obligation Debt Authorized	General Obligation Debt Previously Issued	General Obligation Debt Available	General Obligation Debt Requested
19	376.614	[FEDERALLY TAXABLE] From State General Funds, \$589,200 is specifically appropriated for the purpose of financing projects and facilities for the Department of Natural Resources by means of the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, structures, equipment or facilities, both real and personal, necessary or useful in connection therewith, through the issuance of not more than \$6,000,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of two hundred and forty months.	\$6,000,000	\$2,200,000	\$3,800,000	\$3,800,000
974	98	From State General Funds, \$1,181,648 is specifically appropriated for the purpose of financing projects and facilities for the Department of Natural Resources by means of the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, structures, equipment or facilities, both real and personal, necessary or useful in connection therewith, through the issuance of not more than \$4,940,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of sixty months.	4,940,000	0	4,940,000	4,940,000
974	99	From State General Funds, \$1,565,866 is specifically appropriated for the purpose of financing projects and facilities for the Department of Natural Resources by means of the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, structures, equipment or facilities, both real and personal, necessary or useful in connection therewith, through the issuance of not more than \$16,910,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of two hundred and forty months.	16,910,000	0	16,910,000	16,910,000
Total			\$27,850,000	\$2,200,000	\$25,650,000	\$25,650,000