

The House Committee on Judiciary offers the following substitute to SB 569:

A BILL TO BE ENTITLED  
AN ACT

1 To amend Title 36 of the Official Code of Georgia Annotated, relating to local government,  
2 so as to change certain local government provisions with respect to newly created  
3 municipalities; to revise certain provisions relating to the removal of new municipal  
4 corporations from county special districts for the provision of local government services; to  
5 provide for the offer of sale to certain qualified municipalities of county property used for  
6 police stations, fire stations, or parks within the geographical boundaries of the qualified  
7 municipality; to provide for procedures, conditions, and limitations; to provide for additional  
8 limitations and requirements in the event a new municipality is created in a county  
9 subsequent to a referendum in which bonded indebtedness is approved; to provide an  
10 effective date; to repeal conflicting laws; and for other purposes.

11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

12 style="text-align:center">**SECTION 1.**

13 Title 36 of the Official Code of Georgia Annotated, relating to local government, is amended  
14 by adding a new Code section immediately following Code Section 36-31-11, to be  
15 designated Code Section 36-31-11.1, to read as follows:

16 "36-31-11.1.

17 (a) As used in this Code section, the term:

18 (1) 'County's cost' means the original amount paid by the county for the land, buildings,  
19 and improvements, plus interest at the rate of 3 percent per annum from the date the  
20 county paid any such amounts to the date title to such property is transferred to the  
21 qualified municipality pursuant to this Code section.

22 (2) 'Police station,' 'fire station,' or 'park' means property, including buildings and fixtures  
23 located on such property, that is located within the municipality and has been used by the  
24 county to provide police, fire, or park services to territory located within a qualified  
25 municipality during the calendar year prior to the year the municipality is removed from  
26 the special district under subsection (a) or (b) or this Code section.

1 (3) 'Qualified municipality' means any new municipality created by local Act or any  
2 existing municipality for which the 24 month transition period provided for in Code  
3 Section 36-31-8 has not yet expired.

4 (b) It is the intent of the legislature that the residents of a qualified municipality receive  
5 full credit for taxes paid for police stations, fire stations, and parks; to assure that qualified  
6 municipalities will have the facilities necessary to deliver such services; and to provide  
7 certainty as to how the purchase price for such facilities will be determined. When a  
8 qualified municipality is removed from a special district as provided in either Code Section  
9 36-31-11 or subsection (c) of this Code section, the qualified municipality may elect to  
10 purchase from the county police stations, fire stations, or parks, as provided in subsections  
11 (d), (e), and (f) of this Code section.

12 (c) A municipal corporation created by local Act within a county which has a special  
13 district for the provision of fire services shall continue to be part of such special fire district  
14 where such local Act so provides or the governing authority of the municipality elects to  
15 continue to be part of the special fire district by formal resolution, provided the governing  
16 authority of the municipality delivers a copy of such resolution to the governing authority  
17 of the county within ten business days after the date the resolution is adopted. Such  
18 municipality may subsequently adopt a resolution stating its intent to be removed from the  
19 district and the date of removal, provided the governing authority of the municipality  
20 delivers a copy of such resolution to the governing authority of the county at least three  
21 months prior to the date of removal.

22 (d) Within a 30 days after the governing body of a new municipal corporation is sworn in,  
23 the governing authority of the county shall provide to the governing authority of the  
24 qualified municipality a listing of all county properties located in the qualified  
25 municipality, including without limitation all police stations, fire stations, and parks. If a  
26 qualified municipality elects to purchase any police station, fire station, or park from the  
27 county, the governing authority of the qualified municipality shall provide written notice  
28 to the governing authority of the county specifying the properties to be purchased and the  
29 date or dates the qualified municipality will assume responsibility for providing police, fire,  
30 or park services consistent with the transition period provided in Code Section 36-31-8.  
31 Such notice shall be provided with respect to each such property no less than two months  
32 prior to the date the qualified municipality intends assume responsibility for providing  
33 police, fire, or parks services using such property. The county may not convey or  
34 otherwise encumber any police station, fire station, or park located in the qualified  
35 municipality from the date the local chartering Act is approved by the Governor or  
36 becomes law without such approval to end of the transition period provided in Code  
37 Section 36-31-8.

1 (e) If a qualified municipality elects to purchase any such property, the purchase price may  
2 be determined by negotiation and agreement of the two governing authorities. In that  
3 event, all of the county's right, title, and interest in such property shall be transferred to the  
4 governing authority of the qualified municipality upon payment of the purchase price for  
5 such property. The governing authority of the county shall transfer, execute, and deliver  
6 to the governing authority of the qualified municipality such instruments as may be  
7 necessary to record the transfer of such right, title, and interest.

8 (f) If a qualified municipality elects to purchase any such property, and the purchase price  
9 is not determined by negotiation and agreement of the two governing authorities, then upon  
10 payment by the qualified municipality of the estimated purchase price into escrow in the  
11 registry of the superior court, all of the county's right, title, and interest in such property  
12 shall be transferred to the governing authority of the qualified municipality. The governing  
13 authority of the county shall transfer, execute, and deliver to the governing authority of the  
14 qualified municipality such instruments as may be necessary to record the transfer of such  
15 right, title, and interest. Upon final determination of the purchase price under  
16 subsection (g) of this Code section, the qualified municipality shall pay over to the county  
17 any remaining balance due or the county shall refund to the qualified municipality any  
18 amount paid in excess of the finally determined purchase price.

19 (g) In the event that the county and the qualified municipality fail to reach an agreement  
20 as to the purchase price for any such properties, then the following process is available to  
21 the parties:

22 (1) The county or qualified municipality may file a petition in superior court of the  
23 county seeking mandatory mediation. Such petition shall be assigned to a judge, pursuant  
24 to Code Section 15-1-9.1 or 15-6-13, who is not a judge in the circuit in which the county  
25 is located. The judge selected may also be a senior judge pursuant to Code Section  
26 15-1-9.2 who resides in another circuit;

27 (2) The visiting or senior judge shall appoint a mediator within 30 days of receipt of the  
28 petition. Mediation shall commence within 30 days of the appointment of a mediator.  
29 The mandatory mediation process shall be completed within 60 days following the  
30 appointment of the mediator. A majority of the members of the governing body of the  
31 county and of the qualified municipality shall attend the initial mediation. Following the  
32 initial meeting, the mediation shall proceed in the manner established at the initial  
33 meeting. If there is no agreement on how the mediation should proceed, a majority of the  
34 members of the governing body of the county and of the qualified municipality shall be  
35 required to attend each mediation session unless another process is agreed upon. The cost  
36 of alternative dispute resolution authorized by this subsection shall be shared by the

1 parties to the dispute pro rata based on each party's population according to the most  
2 recent United States decennial census;

3 (3) If no agreement is reached at the conclusion of the mediation, either the county or the  
4 qualified municipality may petition the superior court and seek resolution of the items  
5 remaining in dispute. The visiting or senior judge shall conduct an evidentiary hearing  
6 or hearings as such judge deems necessary and render a decision with regard to the  
7 disputed items. The judge shall consider the following factors to determine the purchase  
8 price and shall make specific findings of fact relative to the following factors:

9 (A) The appraised value of the total ad valorem real property tax digest for the area  
10 within the municipality shall be determined;

11 (B) The appraised value of the total ad valorem real property tax digest for the entire  
12 special district from which the qualified municipality was removed pursuant to Code  
13 Section 36-31-11 or subsection (c) of this Code section shall be determined;

14 (C) The tax ratio shall be determined by dividing the appraised value for the qualified  
15 municipality, as determined in subparagraph (A) of this paragraph, by the appraised  
16 value for the special district, as determined in subparagraph (B) of this paragraph;

17 (D) The county cost's shall be determined separately for all fire stations, all police  
18 stations, and all parks located in the qualified municipality. If a park is located partially  
19 within a qualified municipality or if a police station or fire station was used by the  
20 county to provide services to an area partially within the qualified municipality, then  
21 a share of the county's cost shall be allocated to the qualified municipality  
22 proportionate to portion of the park's acreage located within the qualified municipality  
23 or to the portion of the police or fire service area located in the qualified municipality;

24 (E) The county's cost shall be determined separately for all fire stations, all police  
25 stations, and all parks located in the special district from which the qualified  
26 municipality was removed pursuant to Code Section 36-31-11 or subsection (c) of this  
27 Code section;

28 (F) An asset ratio shall be determined separately for police stations and all fire stations  
29 by dividing the county's cost for each type of property, as determined in subparagraph  
30 (D) of this paragraph, by the county's cost of all properties of that type located in the  
31 special district, as determined in subparagraph (E) of this paragraph; for parks, the asset  
32 ratio shall be the total number of park acres located in the qualified municipality  
33 divided by the total number of park acres located in the special district;

34 (G) The county's cost for parks, police stations, or fire stations located in the qualified  
35 municipality shall be considered to have been fully funded by the qualified  
36 municipality's residents if the tax ratio is equal to or greater than the asset ratio for each  
37 type of property, in which case the purchase price for properties of type shall be zero.

1 The tax ratio shall be compared separately to the asset ratio for each of the three types  
 2 of property to determine if each type of property has been fully funded or partially  
 3 funded;

4 (H) The county's cost for parks, police stations, or fire stations located in the qualified  
 5 municipality shall be considered to have been partially funded by the qualified  
 6 municipality's residents if the tax ratio is less than the asset ratio. The percentage of  
 7 the county's cost that shall be considered funded shall equal 100 times the tax ratio  
 8 divided by the asset ratio for each type of property. The qualified municipality shall  
 9 pay to the county as part of the purchase price the percentage of the county's cost that  
 10 is under funded, which shall equal 100 percent minus the percentage funded;

11 (I) If the county used a police station or fire station to serve an area located outside the  
 12 qualified municipality, the purchase price shall include a portion of the fair market  
 13 value of the police station or fire station. That portion shall equal the acreage served  
 14 outside the qualified municipality divided by the total acreage served by the police  
 15 station or fire station; and

16 (J) Any other factors as may be relevant to determine the disputed value of the  
 17 property;

18 (4) The qualified municipality may elect to pay the purchase price for any police station,  
 19 fire station, or park amortized over a 25 year period at an interest rate equal to rate  
 20 available to county on bonded indebtedness at the time of the transfer of title to the  
 21 property from the county to the qualified municipality; and

22 (5) The judge shall be authorized to impose mediation costs and court costs against any  
 23 party upon a finding of bad faith.

24 (h) In no event shall the purchase price for any property under this Code section be less  
 25 than \$1,000.00.

26 (i) In the event a park is transferred by a county to a qualified municipality under this Code  
 27 section, the municipality shall be authorized to impose and collect a user fee from citizens  
 28 of the county that transferred the property provided such fee does not exceed the amount  
 29 of such fee imposed and collected from citizens of the qualified municipality."

## 30 SECTION 2.

31 Said title is further amended in Code Section 36-82-1, relating to elections and requirements  
 32 regarding bonded debt, by striking subsection (d) and inserting in its place a new subsection  
 33 (d) to read as follows:

34 "(d)(1) Every legal advertisement of a bond election shall contain a reference that any  
 35 brochures, listings, or other advertisements issued by the governing body of any county,  
 36 municipality, or other political subdivision of this state or by any other person, firm,

1 corporation, or association with the knowledge and consent of the governing body of such  
2 county, municipality, or other political subdivision of this state shall be deemed to be a  
3 statement of intention of the governing body of such county, municipality, or other  
4 political subdivision of this state concerning the use of the bond funds; and such  
5 statement of intention shall be binding on the governing body of such county,  
6 municipality, or other political subdivision of this state in the expenditure of any such  
7 bond funds or interest received from such bond funds which have been invested, unless  
8 the governing body of such county, municipality, or other political subdivision of this  
9 state uses such bond funds for the retirement of bonded indebtedness, in the manner  
10 provided for in this Code section; and such statement of intention shall be set forth in the  
11 resolution pursuant to which such bonds are issued.

12 (2)(A) Such statement of intention shall remain fully binding upon the governing  
13 authority of such county in the event a new municipality is created in such county  
14 subsequent to the referendum at which such indebtedness is approved and such bond  
15 funds shall be expended within the area of the new municipality in the same manner as  
16 otherwise required prior to the creation of the municipality. Bond funds and interest

17 received from such bond funds which have been invested shall be expended in the  
18 manner in which advertised and for the purpose stated in such statement of intention.

19 (B) In the event that ownership of property of the county which is the subject of any  
20 bond funds under this Code section is transferred to a newly created municipality, the  
21 county shall, within 30 days of the date of conveyance of such property to such newly  
22 created municipality, pay such bond funds and interest received from such bond funds  
23 with respect to such project to such newly created municipality. The newly created  
24 municipality shall expend such received funds as well as future such bond funds with  
25 respect to such project in the manner in which advertised by the county and for the  
26 purpose stated in such statement of intention. If the statement of intention identifies a  
27 project to be undertaken but does not breakout the amount budgeted for such project,  
28 then the value of the project shall be paid by the county to the newly created  
29 municipality.

30 (C) If the county and municipality fail to reach an agreement as to the amount to be  
31 paid or any related matter, either the county or the municipality may petition the  
32 superior court and seek resolution of the items in dispute. Such petition shall be  
33 assigned to a judge, pursuant to Code Section 15-1-9.1 or 15-6-13, who is not a judge  
34 in the circuit in which the county is located. The judge selected may also be a senior  
35 judge pursuant to Code Section 15-1-9.2 who resides in another circuit. The visiting  
36 or senior judge shall conduct an evidentiary hearing or hearings as such judge deems  
37 necessary and render a decision with regard to the disputed items.

1 (3)(A) Except as otherwise provided in subparagraph (B) of this paragraph, the  
 2 governing body of such county, municipality, or other political subdivision of this state  
 3 may, by a two-thirds' vote, declare any project which has been established pursuant to  
 4 any such statement of intention to be unnecessary.

5 (B) In the event any such project is located within the corporate limits of a newly  
 6 formed municipality, the governing body of a county shall not be authorized to declare  
 7 any project which has been established pursuant to any such statement of intention to  
 8 be unnecessary without a concurrent declaration of the governing body of such newly  
 9 formed municipality.

10 (4) In that the event a project has been determined to be unnecessary in accordance with  
 11 paragraph (3) of this subsection, the governing body of such county, municipality, or  
 12 other political subdivision of this state shall use such bond funds for the payment of all  
 13 or any part of the principal and interest on any bonded indebtedness of such county,  
 14 municipality, or other political subdivision of this state then outstanding. Surpluses from  
 15 the overestimated projects, including interest received on bond funds of such projects,  
 16 shall be used first to complete underestimated projects and all remaining funds received  
 17 from interest and overestimated projects shall be used for other projects or improvements  
 18 which the governing body of such county, municipality, or other political subdivision of  
 19 this state may deem necessary and which are encompassed within the language of the  
 20 statement of purpose in the election notice.

21 (5) Any meetings of any governing bodies at which any bond fund allocation is made  
 22 shall be open to the public. Such meetings shall be announced to the news media in  
 23 advance and shall be open to the news media."

### 24 **SECTION 3.**

25 This Act shall become effective upon its approval by the Governor or upon its becoming law  
 26 without such approval.

### 27 **SECTION 4.**

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