

Senate Bill 423

By: Senators Parent of the 42nd, Millar of the 40th, Jones of the 10th, Butler of the 55th,  
Henson of the 41st and others

A BILL TO BE ENTITLED  
AN ACT

1 To amend Chapter 36 of Title 36 of the Official Code of Georgia Annotated, relating to  
2 annexation of territory, so as to provide that the boundaries of certain independent school  
3 systems are not extended by annexation by a municipality unless expressly approved in a  
4 separate referendum; to provide for transfer of students; to provide for ownership of property  
5 and buildings; to provide for applicability; to provide for related matters; to repeal conflicting  
6 laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Chapter 36 of Title 36 of the Official Code of Georgia Annotated, relating to annexation of  
10 territory, is amended by revising Code Section 36-36-5, which is reserved, as follows:

11 "36-36-5.

12 (a) When the corporate limits of a municipality are extended by annexation, the boundaries  
13 of an independent school system that exists within the boundaries of the municipality shall  
14 not be extended to be coextensive therewith, unless otherwise provided by a local  
15 constitutional amendment. The boundaries of an independent school system may be  
16 extended by annexation pursuant to a separate and distinct popular vote of the electors  
17 residing in the area of annexation regarding a change in such school system boundaries,  
18 which shall be held no earlier than 180 days after the effective date of a municipal  
19 annexation and shall be held, insofar as possible, under the procedures set forth in  
20 Chapter 2 of Title 21 for special elections. If a majority of those voting vote in favor of  
21 annexation, the area shall become a part of the corporate limits of the independent school  
22 system but only if ratified by approval of a local Act of the General Assembly or by  
23 approval of both of the local boards of education affected.

24 (b)(1) No student who becomes a resident of an independent school system pursuant to  
25 an annexation shall be required to change school systems during a school year. All  
26 students in an annexed area shall be permitted to complete their then current school year

27 in the school they currently attend unless they otherwise become ineligible to attend such  
28 school. The local and state share of school funding shall remain with the local school  
29 system in which the student attends school. If local school system properties are  
30 transferred from a local school system as a result of a local school system annexation,  
31 enrolled students who would be required to change schools may continue in their current  
32 schools under the same conditions described herein.

33 (2) Any student who becomes a resident of an independent school system pursuant to an  
34 annexation may remain in the county school system if he or she is a rising or current fifth,  
35 eighth, or twelfth grader. Such students may remain until the completion of their fifth,  
36 eighth, or twelfth grade year but in no case for more than one school year.

37 (3) A county school system shall receive the local funding portion for each student who  
38 elects to remain in the county school system pursuant to this subsection. The State Board  
39 of Education shall calculate the amount for each such student and shall deduct the local  
40 funding portion from the independent school system's allotment and shall reallocate such  
41 amount to the county school system. For purposes of this paragraph, the term 'local  
42 funding portion' means the amount of local funds from local property taxes and any other  
43 local source which would have been earned or levied on behalf of the student by the  
44 independent school system in which such student resides as a result of the annexation if  
45 he or she did not choose to remain in the county school system; provided, however, that  
46 local transportation costs shall not be included in this amount.

47 (4) All state funding shall go to the local school system in which a student is enrolled.

48 (c) An annexing independent school system may elect not to take ownership of any of the  
49 buildings or property owned by the county school system that are within the annexed area.  
50 However, if an annexing independent school system does elect to take ownership of any  
51 of the buildings or property owned by the county school system that are within the annexed  
52 area, the two school systems shall negotiate for a period not to exceed 90 days regarding  
53 compensation for such buildings or property. If the two school systems are unable to agree  
54 on compensation, the chief judge of the superior court of the county in which such  
55 buildings or property are located shall appoint a special master to conduct binding  
56 arbitration regarding such compensation. The special master shall base his or her decision  
57 on the following factors:

58 (1) The actual capital investment in the buildings or property made by the county school  
59 system;

60 (2) The market value of such buildings or property;

61 (3) A proportionality ratio reflecting the value of contributions by residents in the  
62 annexed area; and

63 (4) A compensatory factor reflecting the number of students displaced and the amount  
64 necessary to construct a replacement facility, inclusive of land costs.  
65 (d) Nothing in this Code section shall prevent a county school system and independent  
66 school system from entering into an intergovernmental agreement regarding the operation  
67 or ownership of buildings or properties in an annexed area or for attendance of students  
68 outside of the school system in which they reside.  
69 (e) Notwithstanding anything in this Code section to the contrary, if the net appraised  
70 value of an annexed area is composed of less than 50 percent residential value, this Code  
71 section shall not apply and no change in local school system boundaries shall be permitted;  
72 provided, however, that this shall not prevent the county school system and independent  
73 school system from entering into an agreement regarding school governance. For purposes  
74 of this subsection, property deemed tax exempt shall be assigned a value consistent with  
75 the methods used for property tax computation and such value shall be included in the  
76 computation of the residential versus nonresidential appraised values of the area proposed  
77 for annexation for the purpose of determining whether this Code section applies to such  
78 annexation.  
79 (f) This Code section shall only apply to municipalities annexing within counties in this  
80 state in which two or more independent school systems are operating and where there is  
81 being collected a homestead option sales and use tax pursuant to Article 2A of Chapter 8  
82 of Title 48 and a county sales and use tax for educational purposes pursuant to Part 2 of  
83 Article 3 of Chapter 8 of Title 48. Reserved."

84 **SECTION 2.**

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