

Senate Bill 630

By: Senator Anavitarte of the 31st

A BILL TO BE ENTITLED
AN ACT

1 To repeal an Act incorporating the City of Hiram, approved February 27, 1956 (Ga. L. 1956,
2 p. 2620), as amended; to provide for transfer of duties and obligations to Paulding County;
3 to provide for transfer of all legal rights, privileges, and assets to Paulding County; to
4 establish a special tax and service district for outstanding bonded indebtedness and other
5 obligations; to provide for transfer of all federal and state permits and licenses; to provide
6 for the transfer of ongoing judicial actions; to provide for the continuation of zoning and land
7 use regulations; to provide for future proceeds of special and regular local option sales taxes;
8 to provide for the designation of the Community of Hiram; to provide for related matters; to
9 provide for legislative findings and intent; to provide an effective date; to repeal conflicting
10 laws; and for other purposes.

11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

12 SECTION 1.

13 WHEREAS, the State of Georgia has a responsibility to ensure that municipalities operate
14 in a fiscally sound and sustainable manner for the protection of their residents; and

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15 **WHEREAS**, concerns have arisen regarding the financial condition and long-term viability
16 of the City of Hiram; and

17 **WHEREAS**, it is in the best interest of the citizens of such municipality and the surrounding
18 community to provide a clear and orderly framework to address such concerns; and

19 **WHEREAS**, the General Assembly finds it appropriate to establish a future effective date
20 for the dissolution of the municipal corporation, thereby providing the City with a defined
21 opportunity to demonstrate financial stability, responsible governance, and long-term
22 viability prior to such date; and

23 **WHEREAS**, it is the intent of the General Assembly that such time be used by the City to
24 take necessary corrective action, and that the General Assembly retains the authority to
25 revisit and amend such dissolution prior to its effective date should the City demonstrate its
26 ability to operate in a financially sound manner.

27 **SECTION 2.**

28 An Act incorporating the City of Hiram, approved February 27, 1956 (Ga. L. 1956, p. 2620),
29 as amended, is hereby repealed in its entirety.

30 **SECTION 3.**

31 Paulding County, Georgia, shall be vested with full authority to provide all governmental
32 services within that area comprising the former jurisdictional boundary of the City of Hiram.
33 All ordinances, rules, and regulations of Paulding County shall apply within that area as they
34 do in other unincorporated areas of the county, and the appropriate courts of Paulding County
35 shall have jurisdiction to enforce such ordinances; provided, however, that this transition
36 shall not impact any vested rights accrued prior to the effective date of this Act.

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SECTION 4.

38 Upon the effective date of this Act, the existence of any local authority created by or for the
39 City of Hiram shall likewise terminate on the same date; provided, however, that any joint
40 authority of which the City of Hiram was a part shall be modified by operation of law to
41 remove the City of Hiram, and that authority shall continue in existence with its remaining
42 members. The assets and liabilities of any authority terminated pursuant to this section shall
43 be treated in the same manner as assets and liabilities of the City of Hiram under this Act.

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SECTION 5.

45 There is hereby created a special tax and service district to be known as the Hiram Services
46 District which shall correspond to and be coterminous with the corporate limits of the City
47 of Hiram as those corporate limits existed on the effective date of this Act. Upon the
48 completion of the purposes provided in this Act for such service district, the tax and service
49 district may be abolished by resolution of the governing authority of Paulding County.

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SECTION 6.

51 (a) Except as provided herein, all legal rights, privileges, and assets of the City of Hiram and
52 all records of such assets shall pass to Paulding County without the necessity or formality of
53 a deed, bill of sale, or other instrument of transfer. The assets that shall transfer include all
54 real property assets of the City of Hiram of any nature, including, without limitation, freehold
55 estates, easements, life estates, future interests, and co-owned interests; all tangible and
56 intangible personal property assets of the City of Hiram of any nature, including, without
57 limitation, vehicles, heavy equipment, office equipment, and software; all accounts
58 receivable, rights to payment under contracts fully performed by the City of Hiram, and
59 similar financial assets of the City of Hiram of any nature; and all digital and electronic
60 papers and records of the City of Hiram. Expressly excluded from this section are any rights

61 or assets that derive from executory contracts of the City of Hiram addressed in Section 6 of
62 this Act.

63 (b) Those amounts in any general fund for the City of Hiram shall be immediately
64 transferred to the general fund of Paulding County and segregated by Paulding County for
65 the provision of services within the Hiram Services District.

66 (c) Those amounts in any special fund for the City of Hiram shall immediately be transferred
67 to a special fund of Paulding County and segregated by Paulding County for their designated
68 special purpose.

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SECTION 7.

70 (a) Except as specifically provided in this Act, neither Paulding County nor the State of
71 Georgia nor any political subdivision of the State of Georgia shall bear any responsibility or
72 liability for obligations, amounts, claims, debts, causes of action, judgments, or liabilities that
73 have accrued to the City of Hiram or its local public authorities, up to and including the
74 effective date of this Act. Nothing in this Act shall in any manner obligate Paulding County
75 to provide continued employment for any employee of the City of Hiram or any local public
76 authority of the city.

77 (b) Any bonded indebtedness of the City of Hiram shall become the debt and obligation of
78 the special tax and service district established pursuant to Section 4 of this Act. Paulding
79 County shall be the successor to the City of Hiram for all purposes relating to such bonded
80 indebtedness, including the enforcement of rights and remedies of bondholders. The county
81 shall be authorized but not required to levy a special district tax, fee, or assessment within
82 the Hiram Services District for the purpose of paying the amounts due on such bonded debt.

83 (c) Other than those bonded debts provided for in subsection (b) of this section and
84 Section 11 of this Act, Paulding County shall be authorized but not required to assume the
85 rights and duties of any executory contract of the City of Hiram in effect as of the effective
86 date of this Act. If assumed, any rights and obligations of such contracts that by their nature

87 are personal to the city shall be deemed to apply to the personnel, services, and assets
88 formerly belonging to the city so as to reasonably fulfill the basic purpose and bargain of the
89 original contract. The county shall be authorized but not required to levy a special district
90 tax, fee, or assessment within the Hiram Services District for the purpose of paying the
91 amounts due under such assumed contracts, to the extent that the financial obligations under
92 such contract cannot be fully funded by funds and assets devolved to the county from the
93 City of Hiram.

94 (d) Financial assets and property devolved to Paulding County that are deemed by the
95 county to be excess for purposes of serving the Hiram Services District shall be used to
96 satisfy any obligations and retire any indebtedness of the City of Hiram.

97 **SECTION 8.**

98 To the maximum extent permitted by law, all federal and state permits and licenses issued
99 to the City of Hiram or its local authorities shall be transferred by operation of law to
100 Paulding County.

101 **SECTION 9.**

102 Notwithstanding any provisions of this Act to the contrary, on the effective date of this Act,
103 if any person is held in the custody of the City of Hiram, such person may be transferred over
104 to the custody of the Paulding County Sheriff's Office or other appropriate law enforcement
105 agency.

106 **SECTION 10.**

107 All cases pending in the Municipal Court of the City of Hiram shall be automatically
108 transferred to the Paulding County Magistrate Court or the appropriate court of competent
109 jurisdiction in Paulding County if jurisdiction does not lie in magistrate court. Any transfer
110 of law enforcement jurisdiction to Paulding County shall not in and of itself abate any

111 pending prosecution of any violation of any ordinance of the City of Hiram, and the county
112 shall be entitled to enforce such city ordinance if a violation occurred while the city
113 ordinances were in effect. As for any other lawsuits involving the City of Hiram in the
114 Georgia judicial system, the city shall cease to exist and therefore shall no longer be a proper
115 party to any legal action.

116 **SECTION 11.**

117 The zoning and land use regulations of the City of Hiram shall be deemed Paulding County
118 ordinances and shall apply within the Hiram Services District only, unless and until Paulding
119 County adopts zoning and land use regulations covering the properties within the Hiram
120 Services District.

121 **SECTION 12.**

122 Paulding County shall be entitled to receive the City of Hiram's share of proceeds of any
123 special purpose local option sales tax imposed pursuant to Article 3 of Chapter 8 of Title 48
124 of the O.C.G.A. and shall use those proceeds to complete the city projects authorized by the
125 applicable referendum or otherwise abandon the projects in accordance with general law.
126 To the extent that any intergovernmental agreement has been approved between Paulding
127 County and its qualified municipalities in connection with such special purpose local option
128 sales tax, the county shall have the power to act in place of the city for purposes of that
129 agreement.

130 **SECTION 13.**

131 Paulding County and its qualified municipalities shall divide the City of Hiram's share of
132 proceeds of any local option sales tax in accordance with the provisions of Code
133 Section 48-8-89.2 of the O.C.G.A.

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SECTION 14.

135 There is hereby designated a Community of Hiram which shall correspond to and be
136 coterminous with the corporate limits of the City of Hiram as those corporate limits existed
137 on the effective date of this Act. Paulding County is authorized to provide appropriate
138 signage so as to mark the boundaries of such community.

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SECTION 15.

140 This Act shall become effective on July 1, 2027.

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SECTION 16.

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