

The Senate Committee on State and Local Governmental Operations-General offered the following substitute to HB 513:

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 2 of Chapter 70 of Title 36 of the Official Code of Georgia Annotated,
2 relating to service delivery, so as to revise provisions related to the county share of funding
3 for jointly funded county-wide services be borne by unincorporated residents; to provide for
4 annual reports thereof; to provide for review and revisions to approved strategies; to provide
5 for related matters; to provide for an effective date; to repeal conflicting laws; and for other
6 purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Article 2 of Chapter 70 of Title 36 of the Official Code of Georgia Annotated, relating to
10 service delivery, is amended by revising Code Section 36-70-24, relating to criteria for
11 service delivery strategy, as such Code section becomes effective on January 1, 2026, as
12 follows:

13 "36-70-24.

14 In the development of a service delivery strategy, the following criteria shall be met:

15 (1) The strategy shall promote the delivery of local government services in the most
16 efficient, effective, and responsive manner. The strategy shall identify steps which will

be taken to remediate or avoid overlapping and unnecessary competition and duplication of service delivery and shall identify the time frame in which such steps shall be taken. When a municipality provides a service at a higher level than the base level of service provided throughout the geographic area of the county by the county, such service shall not be considered a duplication of the county service;

(2)(A) The strategy shall provide that water or sewer fees charged to customers located outside the geographic boundaries of a service provider shall not be arbitrarily higher than the fees charged to customers receiving such service which are located within the geographic boundaries of the service provider.

(B) If a governing authority disputes the reasonableness of water and sewer rate differentials imposed within its jurisdiction by another governing authority, that disputing governing authority may hold a public hearing for the purpose of reviewing the rate differential. Following the preparation of a rate study by a qualified engineer, the governing authority may challenge the arbitrary rate differentials on behalf of its residents in a court of competent jurisdiction. Prior to such challenge, the dispute shall be submitted to some form of alternative dispute resolution;

(3)(A) The strategy shall ensure that the cost of any service which a county provides primarily for the benefit of the unincorporated area of the county shall be borne by the unincorporated area residents, individuals, and property owners who receive the service. Further, when the county and one or more municipalities jointly fund a county-wide service, the county share of such funding shall be borne by the unincorporated residents, individuals, and property owners that receive the service.

(B) Such funding shall be derived from:

(i) Any one or more of the following sources:

~~(i)~~(I) Special service districts created by the county in which ad valorem property taxes, assessments, or user fees are levied or imposed;

~~(ii)~~(II) Grants;

44 ~~(iii)~~(III) Any one or more of the following taxes and fees: solid waste franchise
45 fees, cable ~~Cable~~ franchise fees, alcohol excise taxes, alcohol licensing fees,
46 financial institution taxes, hotel-motel taxes, occupation taxes, railroad equipment
47 taxes, insurance premium taxes, rental car excise taxes, impact fees, stormwater
48 fees, zoning fees, or title ad valorem taxes, but excluding any amounts of such taxes
49 ~~or~~ and fees to the extent such amount is derived from incorporated areas of the
50 county; and

51 ~~(iv)~~(IV) Revenues apportioned to the county as part of an intergovernmental
52 agreement from the county and one or more municipalities; or

53 ~~(v)~~(ii) Through such other mechanism agreed upon by the parties approving the
54 strategy which complies with the intent of subparagraph (A) of this paragraph; ~~and,~~
55 (C)(i) The strategy shall require the county to provide an annual report to each party
56 to the strategy that:

57 (I) Identifies the total amount of funds received by the county from the funding
58 sources utilized under division (i) or (ii) of subparagraph (B) of this paragraph for
59 the provision of county services provided primarily for the benefit of the
60 unincorporated area of the county and the county's share of any countywide service
61 funded with one or more municipalities; and

62 (II) The total cost to the county of providing the services described in
63 subdivision (I) of this division.

64 (ii) The provisions of this subparagraph shall not require any party to the strategy to
65 establish separate accounts for such funds; and

66 (4)(A) Local governments within the same county shall, if necessary, amend their land
67 use plans so that such plans are compatible and nonconflicting, or, as an alternative,
68 they shall adopt a single land use plan for the unincorporated and incorporated areas of
69 the county.

(B) The provision of extraterritorial water and sewer services by any jurisdiction shall be consistent with all applicable land use plans and ordinances."

SECTION 2.

Said article is further amended by revising Code Section 36-70-28, relating to review and revision of approved strategy, as such Code section becomes effective on January 1, 2026, as follows:

"36-70-28.

(a) As used in this Code section, the term 'affected municipality' means the county seat and each municipality of at least 500 persons.

(b) In addition to the ten-year update required by paragraph (1) of subsection (a) of Code Section 36-70-21, each county and affected municipality shall review and revise the approved strategy:

(1) Whenever necessary due to changes in revenue distribution arrangements;

(2) In the event of the creation, abolition, or consolidation of local governments;

(3) When the existing service delivery strategy agreement expires; and

(4) Whenever the county and affected municipalities agree to revise the strategy.

(b.1)(1) In the event that a change in service delivery or revenue distribution arrangements affects less than all of the local governments that are parties to the approved strategy, an amendment to the strategy limited to such changed service or services or revenue distribution arrangements between only those specific local governments may be submitted solely by the affected local governments and without the approval of the other nonimpacted county and affected municipalities in the county whose approval would otherwise be required under subsection (b) of Code Section 36-70-25.

(2) Any amendments to the approved strategy or revenue distribution arrangement which affect less than all of the local governments that are parties to the approved strategy shall be subject to review and revision whenever the service delivery strategy affecting the

county and all municipalities within the county becomes subject to review and revision under paragraph (1) of subsection (a) of Code Section 36-70-21 or subsection (b) of this Code section.

(c) No amendment to Code Section 36-70-24 made by the General Assembly shall constitute an event necessitating review and revision to an approved strategy under subsection (b) of this Code section.

(d) In the event that a county or an affected municipality located within the county refuses to review and revise a strategy in accordance with paragraph (2) of subsection (b) of this Code section, then any of the parties may use the mediation or nonbinding arbitration processes provided for in this article."

SECTION 3.

This Act shall become effective on January 1, 2026.

SECTION 4.

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