The Senate Committee on Ethics offered the following substitute to HB 980:

A BILL TO BE ENTITLED AN ACT

To amend Chapter 2 of Title 21 of the Official Code of Georgia Annotated, relating to elections and primaries generally, so as change and provide for procedures, conditions, and limitations regarding municipal elections; to revise the qualifying times for municipal elections; to provide for the reopening of qualifications in municipal elections under certain conditions; to require a special election to approve the incorporation of municipalities; to provide minimum standards and procedures as a condition of holding a special election to approve the incorporation of municipalities; to provide for related matters; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Chapter 2 of Title 21 of the Official Code of Georgia Annotated, relating to elections and primaries generally, is amended in Code Section 21-2-132, relating to filing notice of candidacy, nomination petition, and affidavit, payment of qualifying fee, pauper's affidavit and qualifying petition for exemption from qualifying fee, and military service, by revising paragraph (3) of subsection (c) and paragraph (3) of subsection (d) as follows:

"(3)(A) Each candidate for a nonpartisan municipal office or a designee shall file a notice of candidacy in the office of the municipal superintendent of such candidate's municipality during the municipality's nonpartisan qualifying period. Each municipal superintendent shall designate the days of such qualifying period, which shall be no less than three days and no more than five days. The days of the qualifying period shall be consecutive days. Nonpartisan qualifying periods shall commence no earlier than 8:30 A.M. on the last third Monday in August immediately preceding the general election and shall end no later than 4:30 P.M. on the following Friday; and, in the case of a special election, the municipal nonpartisan qualifying period shall commence no earlier than the date of the call and shall end no later than 25 days prior to the election; and.

(B) In any case in which no individual has filed a notice of candidacy and paid the prescribed qualifying fee to fill a particular office in a nonpartisan municipal election, the governing authority of the municipality shall be authorized to reopen qualifying for candidates at 9:00 A.M. on the Monday next following the close of the preceding qualifying period and cease such qualifying at 5:00 P.M. on the Tuesday immediately following such Monday notwithstanding the fact that such days may be legal holidays; and"

"(3) Each candidate for municipal office or a designee shall file a notice of candidacy in the office of the municipal superintendent of such candidate's municipality during the municipality's qualifying period. Each municipal superintendent shall designate the days of the qualifying period, which shall be no less than three days and no more than five days. The days of the qualifying period shall be consecutive days. Qualifying periods shall commence no earlier than 8:30 A.M. on the last third Monday in August immediately preceding the general election and shall end no later than 4:30 P.M. on the following Friday; and, in the case of a special election, the municipal qualifying period shall commence no earlier than the date of the call and shall end no later than 25 days prior to the election; and"

44 SECTION 2.

Said chapter is further amended by adding two new Code sections to read as follows:

<u>"21-2-541.3.</u>

(a) On and after January 1, 2017, no local bill of the General Assembly proposing incorporation of a municipal corporation shall become law unless it includes a requirement for referendum approval of the new incorporation under such terms and conditions as specified in such local bill.

(b) It shall be the duty of the election superintendent to hold and conduct the referendum and certify the result thereof to the Secretary of State. Notwithstanding any provision of paragraph (2) of subsection (c) of Code Section 21-2-540 to the contrary, any special election to present the question of approval of incorporation of a new municipality to the voters shall be held exclusively at the time of a general election.

<u>21-2-541.4.</u>

(a) On and after January 1, 2017, as a condition of holding a special election pursuant to Code Section 21-2-541.3 any local bill to incorporate a new municipal corporation in any county and any local bill for reorganization of local government authorized by Paragraph II of Section III of Article IX of the Constitution, or by any general law adopted pursuant to

such Paragraph, shall be introduced in the General Assembly during the first year of the term of office.

- (b) During the interim between the first and second regular sessions of the General Assembly, a financial viability, fiscal impact, and service delivery study shall be prepared by a public academic research institution regarding the incorporation of the proposed municipal corporation. Such study shall be based on the interim service delivery strategy required by subsection (c) of this Code section and shall include, but not be limited to, the following issues:
 - (1) The economic viability of the proposed municipal corporation and the amount of taxes and fees necessary to sustain the services to be provided by the new municipal corporation in the first year of its corporate existence and the estimated amount of taxes and fees necessary to sustain the services projected for the subsequent five- and ten-year periods;
 - (2) The financial impact of the incorporation of the municipal corporation on the remaining unincorporated area of the county and existing municipal corporations within the county, and the amount of taxes and fees necessary to sustain the services provided by the county to the unincorporated area and existing municipal corporations after the incorporation;
 - (3) The financial impact of the incorporation of the municipal corporation on the county in which such municipal corporation is located and the amount of taxes and fees necessary to sustain the services provided by the county on a county-wide basis after the incorporation;
 - (4) An estimate of the financial impact of any pension obligations directly attributable to the provision of local government services by the county in the unincorporated area of the county proposed for incorporation which may be left unfunded as a result of the incorporation. In order to calculate the estimate required by this paragraph, the county shall provide a copy of the most recent actuarial valuation of the county pension fund to the academic research institution preparing the study required by this subsection within 30 days of the request for the valuation being made to the county; and
 - (5) To the extent the study projects that the new municipal corporation will receive fees or tax revenues for the granting of franchises or contracts pursuant to paragraph (7) of Code Section 36-34-2, the study shall estimate the financial impact of such utility franchise fees or taxes on utility bills of the utility customers within the proposed municipality upon incorporation and an estimate of the increase in total cost to all utility customers affected by changes in the rate base of the utility paying the franchise fees or taxes to the proposed municipality upon incorporation.

(c) Notwithstanding the provisions of paragraph (1) of subsection (e) of Code Section 36-31-8, during the interim between the first and second regular sessions of the General Assembly, a service delivery strategy proposal shall be prepared and submitted for the purpose of identifying the information and assumptions required by paragraphs (2) and (3) of subsection (b) of this Code section. The local delegation consisting of all members of the General Assembly whose districts are wholly or partially within the county or counties in which the new municipal corporation is proposed to be located may appoint an advisory committee to assist with the preparation of the service delivery strategy proposal, and any such advisory committee's assistance shall be advisory only in nature and shall not hinder or delay the service delivery strategy proposal's preparation. The proposal shall be prepared for advisory purposes only and shall not be binding on the governing authority of the municipality upon incorporation. The interim service delivery strategy proposal shall generally follow the requirements of Article 2 of Chapter 70 of this title, but shall specifically address the following components:

- (1) An identification of all local government services proposed to be provided or primarily funded by the new municipal corporation and any change in services to be provided by the county as a result of the new incorporation;
- (2) A description of the source of the proposed funding for each service identified pursuant to paragraph (1) of this subsection; and
- (3) An identification of the mechanisms, as that term is defined in paragraph (5.3) of Code Section 36-70-2, to be utilized to facilitate the implementation of the services and funding responsibilities identified pursuant to paragraphs (1) and (2) of this subsection.

 (d) The corporate limits of a new municipal corporation shall not create unincorporated islands. As used in this subsection, the term 'unincorporated island' means an unincorporated area:
 - (1) With its aggregate external boundaries abutting the new municipal corporation; or (2) With its aggregate external boundaries abutting any combination of the new municipal corporation and one or more other existing municipalities or counties, including areas separated by the width of an interstate highway from the boundaries of the new municipal corporation."

SECTION 3.

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