Senate Bill 293
By: Senators Parent of the 42nd, Jones of the 10th, Butler of the 55th, Jackson of the 41st, Davenport of the 44th and others

AS PASSED

A BILL TO BE ENTITLED
AN ACT

1 To amend an Act to create and establish in DeKalb County, Georgia, districts from which the members of the County Board of Education of DeKalb County shall be elected, approved April 12, 1963 (Ga. L. 1963, p. 3424), as amended, so as to provide conditions upon the expansion of the boundaries of the City of Decatur independent school systems that are extended by annexation by the City of Decatur; to provide constitutional authority and legislative purpose; to provide for definitions; to provide for disbursement of funds; to provide of the sharing of services and revenues between the DeKalb County school system and the City Schools of Decatur; to provide for contingent repeal of provisions; to provide for transfer of students; to provide for ownership of buildings, facilities, and property; to provide for binding arbitration; to provide for intergovernmental agreements; to provide for a Student Service Cooperation Committee; to provide for regular assessments and reporting; to provide for credits in the event of overpayment; to provide contingent provisions if sections are invalidated; to provide for related matters; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:
SECTION 1.

An Act to create and establish in DeKalb County, Georgia, districts from which the members of the County Board of Education of DeKalb County shall be elected, approved April 12, 1963 (Ga. L. 1963, p. 3424), as amended, is amended by adding a new section to read as follows:

"SECTION 3.1.

(a)(1) This section is enacted pursuant to the authority of Article VIII, Section V, Paragraph V, subparagraph (b) of the Constitution of the State of Georgia to provide for the provision of services by the DeKalb County school system, including access by City of Decatur Schools' students to DeKalb County schools and facilities, and the sharing of facilities or services by and between these local boards of education under such joint administrative authority as may be agreed upon by said boards of education as authorized by law.

(2) The General Assembly finds that improving equity in education funding across DeKalb County and encouraging cooperation between the DeKalb County school system and the City Schools of Decatur so as to provide the best possible educational services are matters of important public policy. The General Assembly further finds that ensuring that annexations by the City of Decatur of DeKalb County property do not threaten the education of the students of either the DeKalb County school system or the City Schools of Decatur is a matter of public policy.

(b) On or after July 1, 2021, when the corporate limits of the City of Decatur are extended by annexation into the boundaries of the DeKalb County school system, regardless of the method of annexation, the boundaries of the City Schools of Decatur, shall be extended to be coextensive with the City of Decatur where the City of Decatur and the City Schools of Decatur so agree, subject to the provisions of this section.

(c)(1) As used in this subsection the term:
(A) 'Annexation pool student' means any student residing within the DeKalb-Decatur schools annexation pool area who will attend a City Schools of Decatur school at the beginning of the applicable school year as result of an annexation of DeKalb County property by the City of Decatur.

(B) 'City of Decatur school tax' means the ad valorem tax collected by the City of Decatur for the 'school fund,' based on the millage set by the City Schools of Decatur, as a result of an annexation occurring after July 1, 2021. Such term does not include any portion of the 'bond fund' collected by the City of Decatur to support general obligation bonds.

(C) 'Commercial' means any parcel that is zoned exclusively for any commercial use or utilized exclusively for such purpose.

(D) 'DeKalb-Decatur schools annexation pool area' means all real property located in territory annexed by the City of Decatur on or after July 1, 2021.

(E) 'Mixed use parcel' means any parcel that is zoned for both residential and commercial use, and used for both purposes.

(F) 'Primary use' means the commercial or residential use of a mixed use parcel, as defined by whether the majority of the square footage of buildings or facilities on the tax parcel is utilized for commercial or residential purposes.

(G) 'Residential' means any single family or multi-family residential parcel that is zoned exclusively for residential use or utilized exclusively for such purpose.

(2) The DeKalb County school system and the City Schools of Decatur shall, in coordination with the applicable tax levying and tax collecting authorities, create and maintain a list of all taxable real and personal property located within the DeKalb-Decatur schools annexation pool area and identify the zoning classification of each parcel of real property.
(3) All taxable real and personal property within the DeKalb-Decatur schools annexation pool area shall be subject to appraisal, assessment, levy, and taxation in the same manner as all other property in the City of Decatur.

(4) All ad valorem taxes for educational purposes collected on taxable property in the DeKalb-Decatur schools annexation pool area shall be remitted by the lawful tax collecting authority to the City Schools of Decatur. The City Schools of Decatur shall then disburse to the DeKalb County school system an amount equal to all ad valorem taxes for educational purposes collected on property zoned for commercial use or that portion of a mixed use property where the primary use is commercial within the DeKalb-Decatur schools annexation pool area. Such payments shall be made within thirty days of the receipt of each tax payment by the City Schools of Decatur. In no event shall the total tax payments to the DeKalb County school system be less than the commercial tax component which includes the commercial component of mixed use parcels. The tax revenue is paid to compensate the DeKalb County school system for its continuing efforts to assist the City Schools of Decatur by providing access to valuable services and benefits conferred by the DeKalb County school system, including its waiver of objections to the City Schools of Decatur's ability to maintain coterminous boundaries with the City of Decatur as long as the furtherance of that aspirational policy does not decrease the tax base essential to the operation of the DeKalb County school system.

(5) At the beginning of each calendar year, or at such other time as the two systems may establish by mutual intergovernmental agreement, the City Schools of Decatur shall provide to the DeKalb County school system a list of mixed use parcels and the primary use of each such mixed use parcel located within the Dekalb-Decatur schools annexation pool area. The DeKalb County school system may, at any time, request data from the City Schools of Decatur or the tax commissioner of DeKalb County supporting such classification. In the event of any disputes regarding classification of mixed use parcels, the definition of primary use contained in this section shall be determinative.
(6) Notwithstanding this section, or any other provision of local law, the two school systems may, by mutual intergovernmental agreement, establish an alternative distribution of tax revenues collected within the Dekalb-Decatur schools annexation pool area.

(7) Paragraphs (2) through (6) of this subsection shall stand repealed on July 1, 2026, if:

(A) The City Schools of Decatur's allocation of the City of Decatur school tax does not equal at least 75 percent of the local share costs of educating those students who enroll due to annexations and cause the number of students enrolled in the City Schools of Decatur to increase by 5 percent or more from the total enrollment prior to July 1, 2021; or

(B) The DeKalb County school system's allocation of the City Schools of Decatur school tax does not equal at least 50 percent of the taxes it would have received from property annexed by the City of Decatur after July 1, 2021, if such property had remained in unincorporated DeKalb County.

(d)(1) No student attending a school within the DeKalb County school system who as a result of an annexation becomes a resident of the City of Decatur when the public school system is administered by the City Schools of Decatur shall be required to change school systems during a school year. All students in such an annexed area shall be permitted to complete the current school year in the school they currently attend unless they otherwise become ineligible to attend such school. The local, state, and federal shares of school funding for those students shall remain with the DeKalb County school system. If any school buildings owned by the DeKalb County school system are located in the DeKalb-Decatur Schools annexation pool area, that is within the boundaries of the City Schools of Decatur as a result of an annexation, enrolled students may continue in their current schools administered by the DeKalb County school system during the school year in which the annexation took place and for longer periods as set forth in paragraph (2) of this subsection.
(2) Any student who becomes a resident of the City Schools of Decatur pursuant to an annexation may remain in the DeKalb County school system if he or she is a rising or current fifth, eighth, eleventh, or twelfth grader. Such students may remain until the completion of their fifth, eighth, eleventh, or twelfth grade year but in no case for more than one school year; provided, however, that a student completing his or her eleventh grade year may elect to remain until the completion of one additional school year.

(3) The DeKalb County school system shall receive the local funding portion for each student who elects to remain in the DeKalb County school system pursuant to this subsection. The State Board of Education shall calculate the amount for each such student and shall deduct the local funding portion from the City Schools of Decatur's allotment and reallocate such amount to the DeKalb County school system. For purposes of this paragraph, the term 'local funding portion' means the amount of local funds from local property taxes and any other local source that would have been earned or levied on behalf of the student by the City Schools of Decatur if the student did not choose to remain in the DeKalb County school system. Local transportation costs shall not be included in the calculation of this amount.

(e)(1) The DeKalb County school system may require that any buildings, facility, or property of the Dekalb County school system in the area encompassed by any annexation by the City of Decatur following the effective date of this Act and within the boundaries of the City Schools of Decatur, be purchased by the City Schools of Decatur unless the City Schools of Decatur excludes the buildings, facilities, or property of DeKalb County school system annexed by the City of Decatur from its boundaries. In the event the boundaries of the DeKalb County school system are altered by virtue of an annexation by the City of Decatur, any buildings, facilities, or property owned by the DeKalb County school system in an area annexed shall continue to be owned and operated by the DeKalb County school system except as provided in this subsection. The DeKalb County school system may elect to require the City Schools of Decatur to assume ownership of some or
all, as the DeKalb County school system elects, of such buildings, facilities, or property and to be compensated in accordance with the provisions in this subsection. The DeKalb County school system shall notify the City Schools of Decatur of its decision to sell any building, facility, or property located in an annexed area no later than 180 days after the effective date of the annexation. The City Schools of Decatur shall have no obligation to retain such building, facility, or property for educational use, and may elect to declare such building, facility, or property as surplus property at any time. Further, if the City Schools of Decatur exercises its inherent power to create school district boundary lines that are not coterminous with any area annexed by the City of Decatur following the effective date of this Act, it may only be required by the DeKalb County school system to purchase those buildings, facilities, or property that are located within the City Schools of Decatur boundary lines. The two school systems shall negotiate for a period not to exceed 90 days thereafter regarding compensation for and terms of transferring ownership of such buildings, facilities, or property upon such request. If the two school systems are unable to agree on compensation or other terms of transfer, the chief judge of the Superior Court of DeKalb County shall appoint a special master to conduct a binding arbitration regarding such compensation or terms of transfer.

(2) The special master shall base his or her decision regarding compensation on the following factors:

(A) The actual capital investment in the building, facility, or property by DeKalb County and the DeKalb County school system, including the market value of any donated portion of the property in question;

(B) The appraised market value of such buildings, facilities, or property. The special master shall choose two Georgia licensed appraisers with experience appraising properties of the type in question who have not performed appraisals for either school system in the past 24 months, and consider the average of the two appraisals provided by such appraisers;
(C) Whether a replacement facility is needed for the DeKalb County School system, and if so, a compensatory factor reflecting the number of DeKalb County school system students displaced and the amount of funding necessary to construct a replacement building or facility, inclusive of land costs; and

(D) Whether the facility is needed and can be used by the City Schools of Decatur, and any costs required for the City Schools of Decatur to use the building, facility, or property.

(3) The special master may delay the transfer of buildings, facilities, or property for a time sufficient to allow the DeKalb County school system to make appropriate arrangements to house the displaced students, borrow, or otherwise assemble the funding to acquire the property and may issue such other rulings as the circumstances may necessitate to insure the orderly transfer of the buildings, facilities, or property at issue, or to allow the City Schools of Decatur sufficient time to secure financing for such a purpose, including levying any additional taxes which may be needed to fund such purchase.

(f) Nothing in this section shall prevent the DeKalb County school system and the City Schools of Decatur from entering into an intergovernmental agreement regarding the joint or separate operation or ownership of buildings, facilities, or property in a DeKalb-Decatur Schools annexation pool area, or to govern the attendance of students at schools outside of the school system in which they reside. To the extent practicable, both school systems are strongly encouraged to share buildings, facilities, or property when practicable to lower facility costs and improve services to the students of both systems.

(g) There is created a Student Service Cooperation Committee that shall consist of three members appointed by the DeKalb County Board of Education and three members appointed by the City Schools of Decatur Board of Education. No elected member or employee of either board of education shall serve on the committee concurrently with their employment or elected service. The chairperson of the committee shall be selected by
majority vote of the committee and shall rotate on July 1 of each year between a DeKalb County and a City Schools of Decatur appointee, provided that the initially selected chairperson shall be a DeKalb County appointee. The committee shall propose policies that both school systems can apply to better implement the services already being provided by the DeKalb County school system to the City Schools of Decatur and identify other services and resources the DeKalb County school system can provide to better serve the students enrolled in both school systems. The committee shall make regular reports on its findings to both the DeKalb County and City Schools of Decatur boards of education. No less frequently than every five years, the committee shall make a formal report to the DeKalb County legislative delegation outlining the status of efforts to cooperate in serving the students of both systems, reviewing services provided to the City Schools of Decatur by DeKalb County schools, and reporting on the taxes collected by the City Schools of Decatur within the Dekalb-Decatur schools annexation pool area and the payments made by the City Schools of Decatur to the DeKalb County schools during the time period prior to the report.

(h) On an annual basis, the two school systems agree to assess the impact of the tax allocation provided for in this section. The City Schools of Decatur shall calculate the local share costs of educating those students who enroll during the period of assessment due to annexation. If the calculated amount exceeds the residential taxes received by the City Schools of Decatur during the review period, the City Schools of Decatur shall receive a credit against future commercial taxes due the DeKalb County school system in an amount equal to the deficit which shall be deducted from payments of such commercial taxes until the additional costs for such enrolled students have been paid, but not to exceed the difference between the taxes received by DeKalb County school system calculated at the City of Decatur school tax rate, and the taxes the DeKalb County School system would have received if the taxes were calculated at the DeKalb County tax rate.
(i) If a court of competent jurisdiction shall enter a final order not subject to appeal invalidating any material part of this section, any annexation undertaken by the City of Decatur shall not change the boundaries of the City Schools of Decatur and all such areas, for school purposes, shall remain under the jurisdiction of the DeKalb County school system. If such a final order is issued, both school systems shall work cooperatively to submit a proposed local law to replace this section to the DeKalb County legislative delegation for consideration in the next regular session of the Georgia General Assembly. The systems are strongly encouraged to submit a jointly approved proposal, but may submit separate proposals to the DeKalb County legislative delegation if they are unable to do so."

SECTION 2.

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