

A Report on the Laws of Incorporation and Annexation of Municipalities in Georgia

**Prepared for the
DeKalb County Operations Task Force, 2014**

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Introduction

The purpose of this report is to provide background information on the laws governing the process of incorporation and annexation in Georgia. This report was written as part of a larger series of reports prepared for the 2014 DeKalb County Operations Task Force. The report is divided into three sections. The first section outlines the laws of incorporation and annexation. The intent of this section is to place the recent annexation and incorporation activity into a legal context to determine if the current state of the laws is consistent with the desired future status for the county and its municipalities. That is, do the current laws either encourage or discourage a level of incorporation/annexation activity that is consistent with the future vision of DeKalb County in terms of the number of municipalities in the county and the role of the county government?

The second section discusses the services that must be provided by counties and those additional services that may be provided on a county-wide basis. In addition, this section lists the set of municipal services for qualified municipalities. The intent of this section is to compare the current state of the county and its service provision up against the services provided by cities to determine if this reflects the desired future of the county. The final section provides some general demographic and economic statistics of the county compared to the surrounding metro counties and also between the incorporated and unincorporated areas of DeKalb County. The purpose of this section is to provide an understanding of the economic and demographic factors that may be influencing or influenced by the recent annexation and incorporation activity.

Section 1: Annexation and Incorporation

There are many different reasons given to support the decision to expand existing city boundaries or to create new ones. In addition, there are many players involved and affected to varying degrees by the incorporation/annexation decision. Balancing the tension between the desires of the county population for a varying mix of services with the ability to provide such services is a challenge for county and city governments nationwide.

Among the reasons given in support of annexation or incorporation is a desire for a different mix of services than is currently being provided by the county government. While not required, municipal governments typically provide a higher level of services than county governments. Often the level of services provided in an area is a reflection of the demographics of the municipal population and gives the area a separate identity that is unique from other surrounding communities. Cities with a younger population tend to provide more bike paths and walkable access to downtown amenities. Towns with a relatively large senior population may place more resources toward senior centers and more passive park areas. Incorporations and annexations allow areas within a county to be tailored to different demographic populations.

Local control is another reason given in support of annexation and/or incorporation. The ability of an area to control its land use development is a widely cited reason for annexation and incorporation. Related to this is the perception of increased accountability of local elected officials. This is particularly the situation in small more homogenous communities. In areas that are less diverse, elected officials face a population that is more united in their preferences for services and taxes. As communities grow in size or become more diverse in their population demographics, this perception can diminish. As a community becomes more diverse because of income disparities, age disparities, or land use disparities, there will be growing tension as one group will feel that elected officials are neglecting their needs compared to another group.

Incorporation and annexation can also be driven by a desire to create a buffer between the incorporated areas and the county. This can occur where there are concerns about resources flowing from more affluent areas to less affluent areas. This can be particularly acute in the case of counties and cities that are more economically diverse, especially if that economic diversity is tied to geographic diversity.

On the other hand, expanding the scope of additional municipalities or increasing the number of municipalities increases both the number and complexity of the government structure within a county. This can hamper economic development activities and stymie growth opportunities.

The financial impact from incorporation and/or annexation will vary. Newly incorporated or annexed areas may see increased property tax bills. If this increase is associated with an increase in services, this may be seen as a “fair” trade to the resident. In addition, higher property values also benefit the county in terms of higher county property tax revenues. By contrast, incorporations and annexations can have negative impacts on the remaining taxpayers in the unincorporated area or special service district. To the extent that some special services are subject to economies of scale, serving a smaller population may lead to increased costs. If, for instance, a newly incorporated area stops participating in the special service fire district, this may cause the remaining participants to experience higher costs of fire delivery because the fixed costs are spread over a smaller population. Alternatively, the fire district may need to cut services but this could lead to higher fire insurance rates for residents. This is also the case where annexation or incorporation is accompanied by a transfer of property from the county school district to an independent school district. In this situation, the county may be relieved of the responsibility to educate some number of students, but is also relieved of the tax revenue associated with that area. If that area happened to have a high revenue to service cost ratio, such that it brought in more revenue than it cost to service students in the district, then the county will experience a net loss and the annexing municipality will experience a net gain. This is typically the case when commercial property is annexed by an area with an independent school district.

There are many players involved and affected by the incorporation process. The desires of all these groups come into play in determining the level of services and the municipal boundaries. First, certainly are the citizens of the proposed area to be incorporated or annexed. These individuals may face higher taxes but also receive a greater level of services. The residents of the existing annexing municipality may need to weigh the potential increase in tax revenue against the increase in the cost of delivering services to the newly annexed area. In addition, the citizens of the remaining unincorporated areas may face a change in cost of service delivery and in the level of services. In addition, citizens of the neighboring municipalities are potentially affected because that area is no longer available for their future annexations.

Table 1.1: Annexation and Incorporation Activity between 2010 and 2013, DeKalb County

Name	2010		2013		Change in Acres
	Acres	Sq. Miles	Acres	Sq. Miles	
Atlanta	4,474	7	4,474	7	0
Chamblee	2,034	3	3,065	5	1,032
Brookhaven (incorporation)			7,266	11	7,266
Clarkston	677	1	677	1	0
Pine Lake	159	0	161	0	2
Avondale Estates	739	1	775	1	36
Lithonia	593	1	593	1	0
Stone Mountain	1,043	2	1,043	2	0
Doraville	2,270	4	2,270	4	0
Dunwoody	8,325	13	8,476	13	151
Decatur	2,761	4	2,768	4	6
Total	23,074	36	31,567	49	8,493
% of County		13%		18%	

Source: Atlanta Regional Commission and CSLF at GSU

Section 1.1: Summary of Incorporation and Annexation Laws and Procedures

Incorporation.

The laws for incorporation are codified in O.C.G.A. § 36-31-1 through O.C.G.A. § 36-31-12. The proposed area must have a total residential population of at least 200 persons and an average residential population of at least 200 persons per square mile. The proposed area must be developed for residential, commercial, industrial, institutional, recreational, or governmental purposes. The land should be divided into lots and tracts so that at least 60 percent by total

acreage consists of lots and tracts of 5 acres or less. All municipal incorporations must be passed by local act of the General Assembly. To pass out of the initial house or senate committee, the incorporation bill must have the support of the county delegation.¹ After successful passage of the local act by the General Assembly, registered voters in the proposed area must adopt by majority vote a measure to incorporate.²

It should also be noted that O.C.G.A. § 36-31-11.1 specifies that the incorporating municipality may purchase county park land within the incorporated boundaries for \$100 per acre and fire houses for \$5,000 each.³ On the other hand, county land and buildings falling within municipal boundaries due to annexations remain county property. If the buildings are no longer suitable for county use, the municipality must purchase the property based on a fair market value.⁴

Annexation.

Georgia law provides 4 different methods for municipalities to annex additional land into their boundaries.⁵ These procedures are outline in O.C.G.A. § 36-36-1 through O.C.G.A. § 36-36-10 and §36-36-110.⁶

The first method of annexation is the 100 percent method. Under this approach, municipalities have the authority to annex qualified contiguous property when 100 percent of the property owners request inclusion into the municipal boundaries. The law also applies in the case of qualifying contiguous properties requesting deannexation. The provision contains very specific language for determining continuity with the municipal boundary. The annexing property must abut the municipal boundary by at least a minimum of 1/8th of the total external boundary of the annexing property or 50 feet. In addition, land is defined to be contiguous with a municipal boundary in cases where it is separated from such boundary by a street or street right of way, a creek or river, or a right of way of a railroad or other public service corporation. This method of annexation may be used to extend the municipal boundaries into a county in which it does not currently exist if the county posts no objection.⁷

¹ For some counties, incorporation bills must have the support of all delegation members. In other counties, only a majority is required.

² While not codified, the committees of the General Assembly that handle incorporation bills require a feasibility study prior to taking action on incorporation legislation.

³ This does not apply to the purchase of a firehouse outside the municipal boundaries.

⁴ O.C.G.A. § 36-36-7.

⁵ In some cases these procedures can be reversed so that current municipal lands may be deannexed.

⁶ O.C.G.A. §36-36-110 replaces O.C.G.A. §36-36-11 as of 9/1/2007.

⁷ The county has, in general, about 30 days in which to post an objection. Against the desires of the requesting property owners, the county must weigh any potential negative consequences of the annexation. The county may object to the annexation if it finds that the annexation is not reasonable for the long-range economic and well-being of the county, school districts, and other municipalities affected by the annexation. In addition, if the county finds the health, safety, and well-being of the affected property owners and citizens are negatively affected or if

The second method of annexation is the 60 percent rule and can be used only by municipalities that have a population in excess of 200. Under this method of annexation, the municipality is allowed to annex qualifying contiguous properties if the owners representing at least 60 percent of the land area and 60 percent of the registered voters of the annexing area request inclusion into the municipal boundaries. In the case of the 60 percent method, contiguous boundaries are defined to include those properties that abut the municipal boundary by at least 1/8th of the total boundary of the annexing area. In addition, this method is applicable in cases where the boundary would abut if not separated by land owned by the municipality, a county, the State of Georgia, or the width of a street, river, creek, or any right-of-way of a railroad or other public service corporation. This method is not applicable in cases where the annexing property lies across a county boundary in which the municipality does not already extend. Furthermore, use of this method requires the municipality to have plans for extending services at the time of annexation into the newly annexed area. Under this method of annexation, the residents of the newly annexed area may be required by the municipality to use municipal utilities if such utilities are available.

The third method annexation is by resolution and referendum. This method can be used in cases where the property is found to be contiguous to the municipal boundary, is not currently receiving water, sewer, fire or police from another government entity, no part of the area lies within the boundaries of another municipality, and is, in general, developed for urban purposes. An urban area is defined as an area with a population density of at least 2 persons per acre; and 60 percent of the acreage consists of lots and tracts of five acres or less; and 60 percent of the total number of lots and tracts are one acre or less. Under this method the annexing municipality must prepare a report for service delivery so that the major municipal services will be available to the newly annexed area as of the date of annexation. To annex property via this method, the municipality must hold a referendum. Only registered voters residing in the area to be annexed are eligible to vote. A simple majority vote prevails. While not a common method of annexation, this method was used in 1999 by the City of Roswell to annex over 3,000 acres.

The last method of annexation is annexation by local act of the General Assembly. This method is applicable in cases where the acreage of the annexed area is more than 50 percent residential in nature. The local act must include a referendum if the number of residents of the annexed land exceeds 3 percent of the annexing municipality population or there is at least 500 persons in the area to be annexed.

there are negative fiscal impacts on the county, school districts, and other municipalities. In cases, where the county objects to the municipal annexation, then a complaint is filed in superior court. The court's decision is binding.

In addition to annexing new areas, municipalities are authorized, but not required, to annex areas of unincorporated islands that had been in existence since January 1, 1991. In this type of annexation case, the municipality must notify the property owner of the intent by the municipality to annex and the ordinance to annex must be adopted within 30 days. No petition of annexation from the property owner is required in this case. In cases of island annexation, the municipality is not required to extend municipal services to newly annexed land on any particular time frame.

County objection procedure

Prior to 2004, the municipalities annexing property in counties with a population between 625,000 and 725,000 were required to obtain county approval for the annexation.⁸ Currently, O.C.C.G. § 36-36-110 - § 36-36-119 specifies the county objection procedure for municipal annexations. This objection procedure is applicable in municipal annexation by the 100 percent and the 60 percent method but may not be applicable in the case of annexation by resolution and referendum and is not applicable in the case of annexation by local act.⁹

O.C.C.G. § 36-36-113 states that the county objection must be because the annexation would lead to an increased burden on the county directly related to the proposed change in zoning or land use and/or the proposed increase in density and/or increased demands on infrastructure related to the proposed zoning or land use change. This objection must be supported with evidence of the increase in cost in infrastructure, of the diminished value or useful life of a capital outlay project, or of a significant change in use intensity compared to its current use. In general, the basis of the objection rests on the premise that the proposed use is sufficiently different than what is currently allowed under the county land use plan and that such alternative use would result in a significant burden to the county. The county objection must be delivered to the municipality within 30 days of the municipal notice to annex property. If the county objects to the proposed annexation, the Department of Community Affairs will choose 11 individuals to serve on an arbitration panel.¹⁰ The decision of the arbitration panel is binding but may be appealed by either party in superior court under limited grounds. The county is required to pay 75 percent of the cost of the arbitration proceedings. The remaining 25 percent is split between the county and the municipality.

⁸ This provision was repealed in 2004 by H.B. 1321.

⁹ Because the provision is triggered by the receipt of a petition of annexation, it may not be applicable in the case of the resolution and referendum method.

¹⁰ Requirements for the arbitration panel are codified in O.C.C.G. § 36-36-114.

Table 1.2 Summary of major provisions of the incorporation and annexation laws

Incorporation	Annexation			
	100% method	60% method	Resolution and Referendum	Local Act
Minimum population requirement of 200 persons and an average residential population of 200 persons per square mile	Used in cases where 100% of property owners petition for inclusion into the city boundaries	Can be used in cases where the municipal population is in excess of 200 persons	Applicable for urban areas with a population density of at least 2 persons per square acre	
At least 60% of the area is divided into tracts/lots of 5 acres or less			At least 60% of the area is divided into tracts/lots of 5 acres or less and 60% of the total number of tracts and lots are 1 acre or less	Applies to cases where the acreage is more than 50 % residential (ie. lots or tracts of 5 acres or less)
Must be passed by local act of the General Assembly, with sufficient approval of the local delegation	Must be approved by the city council	Must be approved by the city council	Must be approved by the city council	Must be passed by local act of the General Assembly, with sufficient approval of the local delegation
Must be approved by a majority vote of directly affected voters		Applicable in cases where at least 60% of the land owners and 60% of the registered voters petition inclusion into the municipal corporate boundaries	Must be approved by a majority vote of directly affected voters	Must be approved by a majority vote of directly affected voters only if the number of residents exceeds the smaller of 3% of the annexing municipal population or 500 people
County objection procedure from	County objection procedure from	County objection procedure from	County objection procedure from	County objection procedure from

O.C.G.A. § 36-36-110 is not applicable	O.C.G.A. § 36-36-110 is applicable	O.C.G.A. § 36-36-110 is applicable	O.C.G.A. § 36-36-110 may not be applicable	O.C.G.A. § 36-36-110 is not applicable
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Table 1.3 summarizes some of the major components of the laws of incorporation and annexation discussed above and their possible effects on incorporation and annexation activity. The degree to which the incorporation and/or annexation activity is actually affected is not known but the potential for influence exists nonetheless.

Table 1.3 Possible Impact of Laws on Incorporation and Annexation Activity

Major Components of Law	Potential Influence on Annexation or Incorporation
All incorporations and larger annexations must be passed by local act of the General Assembly	<ul style="list-style-type: none"> • May reduce incorporations and large annexations by creating a high political hurdle • May reduce and organize incorporations and large annexations by having them approved by a central party • Introduces politics into incorporation and annexation decisions • May increase the risk of economically weak incorporations and annexations in favor of boundaries that are more politically feasible
All incorporations and large annexations must be passed by a majority of the registered voters in the affected area	<ul style="list-style-type: none"> • Allows residents of affected area to vote on incorporation or annexation • Only property owners registered to vote in that area are allowed to vote
Some annexations may be passed without involvement of the General Assembly	<ul style="list-style-type: none"> • May encourage annexation activity by lowering the requirements in the case of smaller annexations • Allowing cities to negotiate their own annexations keeps local boundary decisions under the control of local officials • Allowing each city to enter into its own negotiations may lead to less county-wide planning and oversight and allows for a

	first come-first serve practice of annexing areas
The county objection policy applies to annexations by the petition or the resolution and referendum method	<ul style="list-style-type: none"> • May encourage annexation activity by prohibiting the county from blocking an annexation when it is desired by a majority of voters in the affected area • May encourage annexation activity by not allowing county objections in cases of incorporation or annexations via local act
The county objection policy applies in cases where the annexation would result in a financial burden to the county due to land use and zoning changes	<ul style="list-style-type: none"> • May lead to additional annexation by limiting the scope of county objections

Section 1.2: Recent proposed incorporations and annexations

Proposed City of Briarcliff¹¹

The Carl Vinson Institute of Government (CVIOG), University of Georgia, determined the incorporation of the proposed city of Briarcliff is fiscally feasible. The proposed city of Briarcliff will contain 29.77 square miles with a population of 93, 031 or 18.18 percent of unincorporated DeKalb County. The median household income in this area is \$49,250 with a 14.50 percent poverty rate. Using current available revenue sources and comparable municipal government expenditures, CVIOG estimates the total annual revenue for Briarcliff is approximately \$54.4 million and the estimated total annual expenditures is approximately \$46.4 million.

Proposed City of Lakeside¹²

The proposed City of Lakeside covers 20.164 square miles of central DeKalb County. The population for this area is 63, 244 or 12.36 percent of unincorporated DeKalb. The median household income is \$50, 812 with a 10.3percent poverty rate. A CVIOG fiscal feasibility study for the city of Lakeside proposal found expected revenues exceed city expected service provision expenditures, with annual estimated revenues of approximately \$35.3 million and estimated expenditures of \$29.9 million.

Proposed City of Stonecrest¹³

The proposed city of Stonecrest will include 37.94 square miles with a population of 82, 205 or 16.07 percent of unincorporated DeKalb County. The median household income in this area is

¹¹ Based on the boundaries outlined in the 2013 feasibility study.

¹² Based on the boundaries outlined in the 2013 feasibility study.

¹³ Based on the boundaries outlined in the 2013 feasibility study.

\$44, 715 with a 15.5 percent poverty rate. The CVIOG study annual revenue estimate for the proposed city of Stonecrest is approximately \$31.1 million and approximately \$45.1 is estimated for annual expenditures. Based on the current millage rates and proposed service levels, the city was not found to be fiscal viable.

Proposed City of Tucker¹⁴

The Fiscal Research Center (FRC), Andrew Young of Policy Studies, Georgia State University analyzed the fiscal feasibility of the proposed city of Tucker. The study found the city of Tucker to be fiscally feasible with approximately \$16.6 million in annual revenue and approximately \$13.3 million in annual expenses expected. The proposed city is comprised of 25.14 square miles with a population of 55, 713 or 10.89 percent of unincorporated DeKalb County. The median household income for this area is \$54, 427.

Table 1.3 summarizes the anticipated municipal services to be provided by proposed cities, remaining services will continue to be provided by DeKalb County.

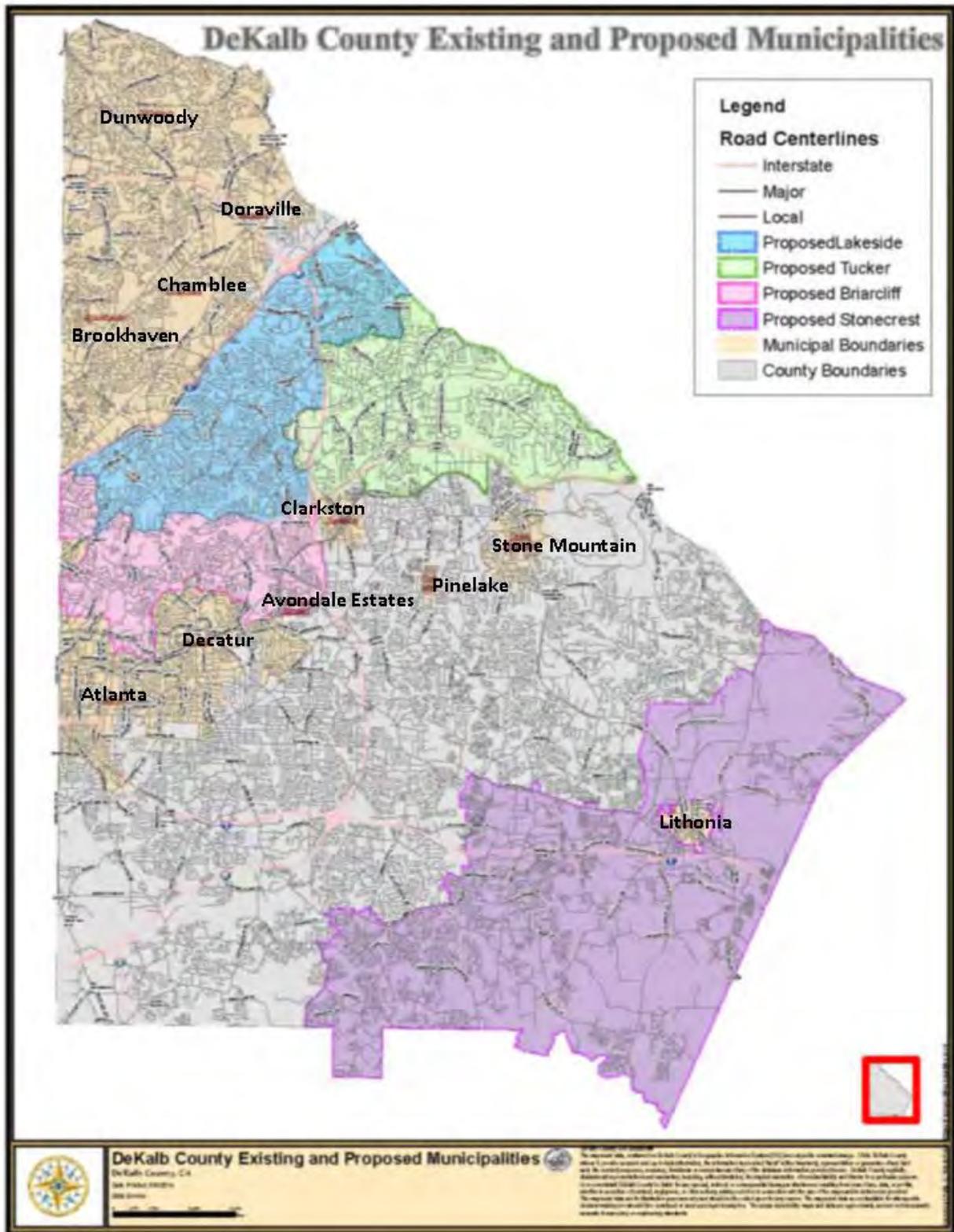
Table 1.3: Summary of Services Provided by Proposed Cities

Municipal Service	City of Briarcliff	City of Lakeside	City of Stonecrest	City of Tucker
Police*	✓	✓	✓	
Planning and Zoning	✓	✓	✓	✓
Code Enforcement	✓	✓	✓	✓
Road Maintenance	✓	✓	✓	
Parks and Recreation	✓	✓	✓	✓
Storm Water	✓	✓	✓	
Population	93, 031	63, 244	82, 205	55, 713
% of county population	13%	9%	12%	8%
Square Miles	29.77	20.164	37.94	25.14
% of county area	11.1%	7.5%	14.1%	9.4%

¹⁴ Based on the boundaries outlined in the 2013 feasibility study.

*It is assumed that the new cities will not maintain jails but contract through an intergovernmental arrangement with the DeKalb County Sheriff. Similarly, full-time SWAT team, narcotics, and other special services employees will be limited.

Map 1 – All Proposed Cities in DeKalb County



Atlanta annexation - Glenaire Subdivision

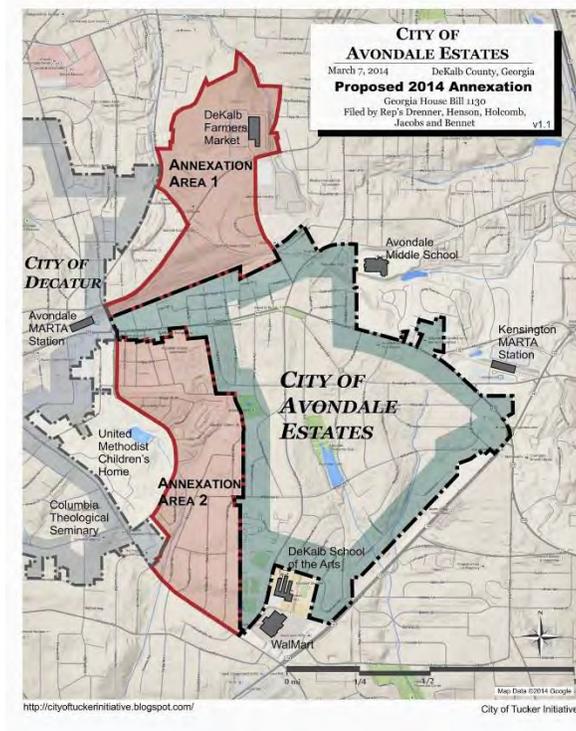
Using the 100 percent method, the property owner requested the property be annexed from DeKalb County unincorporated to the corporate boundaries of the City of Atlanta. In July 2013, the City of Atlanta accepted this proposal and annexed 1.82 acres of land into the city limits designated for single-family residential land use.

Atlanta annexation - Annexation of 1206 McLynn Avenue, NE, Atlanta, Georgia

Using the 100 percent method, the property requested the property be annexed from unincorporated DeKalb County to the corporate boundaries of the City of Atlanta. In July 2012, the City of Atlanta authorized this proposal and annexed .26 acres of land into the city limits designated for single-family residential land use.

Avondale Estates annexation

The City of Avondale Estates filed House Bill 1130 during the 2014 legislative session in order to annex bordering residential and industrial land into the city. The annexation called for 23 commercial properties. HB 1130 was unanimously approved by the House and read and referred to the Senate State and Local Governmental Operations Committee as the legislative session went into recess.



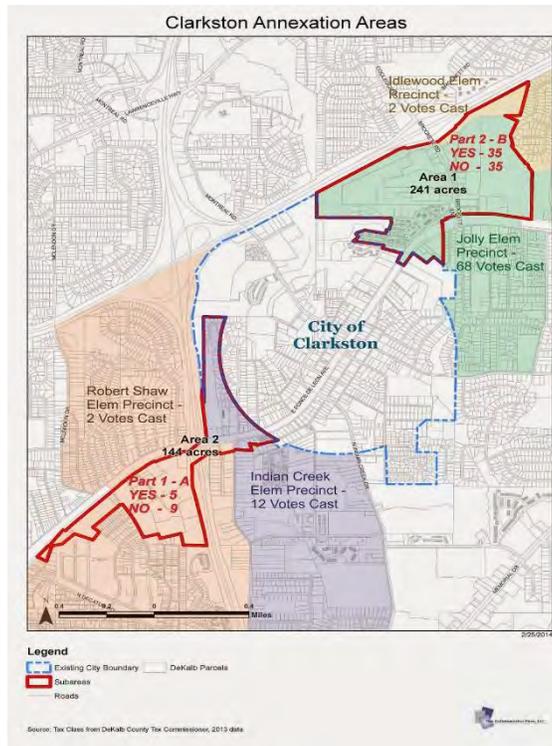
Brookhaven and Chamblee Dispute: Century Center

In 2013, the General Assembly passed and the Governor signed HB 619 which called for a referendum on 11/5/2013 by the Chamblee voters to annex the Century Center property and the surrounding properties into the municipal limits of Chamblee. Between the scheduled time of the referendum and the passage of HB 619, the owners of the Century Center property petitioned Brookhaven for annexation into the Brookhaven municipal limits. The city council of Brookhaven accepted the petition and voted to annex the Century Center property. On 11/5/2014 the voters of the area, which includes the disputed Century Center property, voted to be annexed into Chamblee. Legal proceedings began in an effort to settle the issue between Brookhaven and Chamblee.

During the 2014 legislative session HB 905 and HB 906 were introduced to set the borders of Chamblee and Brookhaven to reflect the desired outcome of a November 2013 referendum which placed Century Center into the City of Chamblee. House Bill 905 de-annexed Century Center from Brookhaven city boundaries and House Bill 906 annexed it into Chamblee city boundaries. These measures were necessary to definitively set the borders and end a lawsuit that was pending between the two cities over the disputed commercial area. Both bills passed unanimously through the House and Senate yet were vetoed by Governor Deal in April 2014 in an effort not to pre-empt the litigation process. At this time, the city of Brookhaven has decided not to continue funding its litigation process over the property and the property will be annexed into Chamblee.

Clarkston annexation

House Bill 1128 filed by the City of Clarkston proposed annexing two separate areas totaling about 380 acres adjacent to the city to be annexed in phases. This bill was approved by state legislators and signed into law by Governor Deal in April 2014. As a result, in May 2014 House Bill 1128 provided for two separate referendum votes; both areas were voted down in the referendum.



Decatur annexation

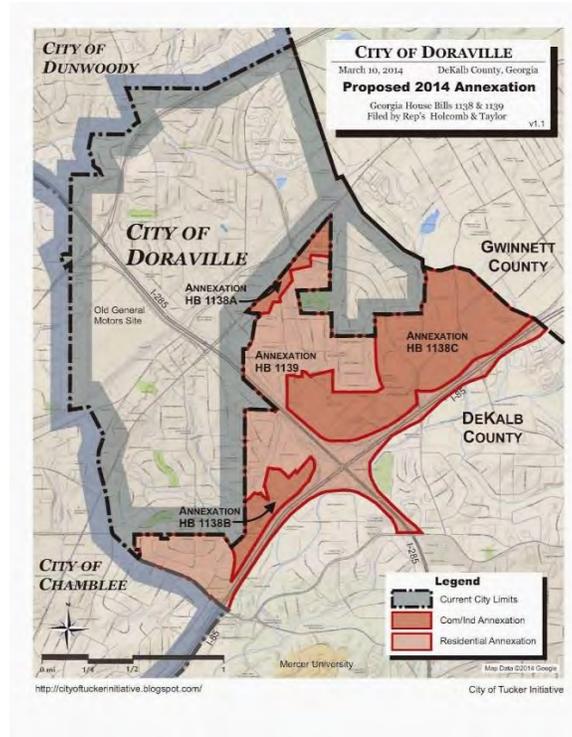
Using the 60 percent annexation method, Parkwood neighborhood residents petitioned for annexation into the City of Decatur in January 2014. In March 2014, the City of Decatur conducted a cost analysis in order to determine costs to the city to extend services to new residents. The report determined associated revenue compared to expenditures would result in net positive amounts for the city the first 5 years following annexation. With this information, city commissioners voted unanimously in April 2014 to fulfil the residential annexation petition. Effective July 1, 2014, the city of Decatur annexed Parkwood Park into the city limits. This annexation adds 77 parcels into the city and 14 students to the school system.

Following a May 2014 service delivery report on the proposed Derrydown annexation, the City of Decatur commissioners approved a petition to annex 29 parcels on Derrydown Way into the city. The report determined the city will not need to hire any additional staff to provide police and fire protection to its new residents. The Derrydown annexation will become effective in August 2014.

Currently, the City of Decatur is composing an Annexation Master Plan and not accepting annexation petitions. The Annexation Master Plan will develop a single bill with comprehensive annexation information for the future Decatur city limits to be provided to the DeKalb delegation of the Georgia General Assembly for local bill consideration in November 2014.

Doraville annexation

During the 2014 legislative session, the City of Doraville filed House Bill 1138 and House Bill 1139 in order to annex unincorporated DeKalb County property into the city's corporate limits. House Bill 1138 consists of 77 commercial parcels and 125 industrial parcels. House Bill 1139 consists of residentially-zoned portions of the Northwoods and Oakcliff neighborhoods. Both bills were signed by Governor Deal in April 2014. House Bill 1138 will become effective on December 31, 2014 and requires no additional voting. House Bill 1139 will become effective on December 31, 2014 if approved by public referendum in the November 2014 elections.



Stone Mountain annexation

Following a September 2013 annexation request from Stone Mountain Industrial Park property owners, the city of Stone Mountain conducted an annexation study in January 2014 to determine the feasibility of the proposal. The annexation would include 12.21 square miles and a population of 17,752. The total estimated revenue amount is \$8,137,461 and the total estimated expense amount is \$7,719,940. The study concluded the resulting \$417,520 surplus is an adequate estimate for the City of Stone Mountain to financially provide city services to the new area in an efficient manner. Additionally, the study found the incorporation of the proposed area will provide general fund services at the same or lower cost than is currently being experienced, leading to no taxation increase for unincorporated residents.

Section 2: Cities and Counties

Municipalities are distinct from counties, in that they are formed by charter and able to control their own laws and borders. In general, municipalities are considered areas of greater population density with an urban nature. To be considered a qualified city, the city must provide at least three of the following services listed in Table 2.1 but may choose to provide more than the required minimum.¹⁵

Table 2.1: Qualifying Municipal Services

Public safety or law enforcement	Storm-water collection or disposal
Fire protection and fire safety	Electric or gas utility services
Road and street construction or maintenance	Code enforcement (building, housing, plumbing, electrical, and other)
Solid waste management	Planning and zoning
Water supply or distribution or both	Recreational facilities
Waste-water treatment	Library
Public safety or law enforcement	

By definition, a county is a division of the state and its administrative authority stems from the state legislature. As an extension of the state, the county is required to provide certain services. These are listed in Table 2.2. They are services associated with the court system but include several other services, such as tax commissioner and elections.

Table 2.2: Required County Services

State Court	Health Services
Probate Court	Public Assistance and Family Services
Superior Court	Emergency/disaster management
Magistrate Court	Property tax appraisal
Juvenile Court	Tax appeals/board of equalization
Coroner or medical examiner	Tax commissioner
Superior Court Clerk	Elections and registration
Vital Records	Sheriff
Jail	

¹⁵ By providing at least 3 services from this list, the municipality is considered a qualified municipality and is eligible for SPLOST proceeds. O.C.G.A 48-8-110(4)

In addition, counties may choose to provide additional services, many of which may be municipal in nature.¹⁶ The list of optional services that may be provided by a county is listed in Table 2.3.

Table 2.3: Optional County Services

County law library	Libraries
Cooperative Extension Service	Cable TV/cable franchising
Law enforcement: county police	Animal control
Law enforcement: dive team	Road and street lighting
Law enforcement: investigations	Airports
Law enforcement: drug task forces	911 Services
Fire protection	Public transportation
Senior services	Planning & zoning
Water supply	GIS
Water quality	Building inspections
Sewage collection and treatment	Economic development
Solid waste collection and treatment	Public housing
Erosion and sedimentation control	Ambulance/paramedic services
Stormwater management	Street & bridge maintenance and construction
Public hospitals / support for hospitals	Parks & Recreation

In general, the term county is often associated with less developed or less urban areas outside of a city but there are increasingly urban counties throughout the state. There is no distinction in Georgia law for urban unincorporated county areas compared to rural unincorporated county areas. Because of the provision of many municipal services within unincorporated areas, there is much less of a distinction between the service provision in the unincorporated area of an urban county and the incorporated areas. In fact, the unincorporated area of an urban county can be thought of as a de facto municipality which is governed by a board of commissioners as compared to a mayor and city council.

Table 2.4 summarizes the municipal services provided by each city to its own population or the county to the unincorporated population and to the cities. Because the municipal services provided to the unincorporated areas are provided county wide, they must be provided at equal levels to all unincorporated county residents. This can prove challenging when the service needs vary across the unincorporated areas of the county. This can occur for a variety of reasons. For example, the unincorporated county population may have pockets of low density or of agricultural land in which few services are demanded but also have areas of high density in which more services are demanded. In addition, there may be instances of different demographic

¹⁶ In 1972 Georgia counties became authorized to provide urban-type services.

populations across an unincorporated county area which will lead to a desire for different levels of services across the county. As counties become more populated, there is a desire to tailor the mix of taxes and services to meet the needs of a particular group of citizens. This desire to tailor services is a main driver in the decision to incorporate or to annex. On the other hand, many services may be better provided by the county because provision of these services is subject to economies of scale. When the provision of a service is subject to large economies of scale, providing it over a large population will result in a lower per unit cost for all parties.

Another reason for the provision of some services by the county is due to the public nature of some services. When the provision of a good or service affects the population outside of its immediate boundaries, general wellbeing can be improved by providing the service over the largest affected area and spreading the cost to all affected parties. For instance, if one municipality is completely surrounded by other municipalities then the surrounded municipality receives the benefit of the public safety resources of the surrounding cities without having to pay for that benefit. This tends to lead to an under provision of services for the combined municipal areas. Alternatively, spreading the cost to all affected municipalities leads to a more equitable and efficient use of resources for all municipalities.

As another example, consider the case where one municipality has much more lenient zoning laws such that the property values of the border properties in other municipalities are negatively affected by the decisions of the lenient municipality. In this case, it would be appropriate to extend the zoning district to include all landowners affected by the zoning laws so that the cost of the zoning decision is fully borne by those affected by the decision.

Table 2.4: Major Municipal Services provided by municipality and unincorporated DeKalb County

Municipal Service	City of Avondale Estates	City of Brookhaven	City of Chamblee	City of Clarkston	City of Decatur	City of Doraville	City of Dunwoody	City of Lithonia	City of Pine Lake	City of Stone Mountain	DeKalb County (unincorporated)
Planning and Related: Planning & Zoning	D	D	D	D	D	D	D	D	D	D	D
Code Enforcement	D	D	D	D	D	D	D	D	D	D	D
Economic Development	D/A	D	D	D	D/A	D	D	A	N/A	D	D
Public Housing	A	N/A	N/A	A	A	N/A	N/A	A	N/A	N/A	A
Parks & Recreation Programs	D	D	D	D	D	D	D	DC	DC	D	D
Storm Water	J	J	J	J	D/J	J	D	J	J	J	D
Police Basic	D	D/DC	D	D/DC	D	D	D	D/DC	D/DC	D	D
Police Non-Basic	D	DC	DC	DC	D/DC	D	D	DC	DC	DC	D
Fire	DC	DC	DC-IG-DC	DC	D	DC	IG-DC	DC	DC	DC	D
EMS	DC	DC	DC	DC	DC	DC	IG-DC	DC	DC	DC	D
Sewage Collection & Treatment	IG-DC	DC	DC	DC	DC	DC	DC	DC	DC	DC	D-IG
911	D	IG-DC	D	IG-DC	D	D	IG-DC	DC	IG-DC	IG-DC	D
Water Treatment & Distribution	IG-DC	DC	DC	DC	DC	DC	DC	DC	DC	DC	D-IG
Refuse Collection	D	D	D	D	D	C	IG-DC	IG-DC	C	C	D

Landfill	C	DC	DC	DC	DC	C	DC	DC	DC	C	C
Library	DC	DC	DC	DC	DC	IG-DC	IG-DC	DC	DC	DC	D
Street Construction & Maintenance	D	DC	DC	DC	D/DC	DC	D	DC	DC	DC	D
Traffic Engineering	D	IG-DC	IG-DC	IG-DC	IG-DC	IG-DC	D	IG-DC	IG-DC	IG-DC	D
Population (in thousands)	3	51	16	8	20	11	48	2	1	6	713
% of county population	.41	7.09	2.24	1.07	2.82	1.49	6.67	.27	.1	.84	
Square Miles	1.2	12	3.5	1.1	4.3	3.6	13		.25	1.7	269
% of county area	.45	4.46	1.3	.41	1.6	1.34	4.83		.09	.63	

Source: DeKalb County Service Delivery Strategy, 2010

Definitions:

A: Authority

D: Direct (City)

IG-DC: Intergovernmental Agreement with DeKalb County

J: Joint Agreement

N/A: Not available

C: Contract

DC - DeKalb County

Police Basic: Comprised of services performed by the uniform division, traffic unit, park patrol, criminal investigation, and crime scene investigation

Police Non-Basic: Comprised of services performed by the aerial support unit, SWAT team, bomb squad unit, intelligence and permits, K-9 division, gang task force, drug task force, and homeland security division.

Section 3: County Demographics

Is DeKalb County Different?

Table 3.1 shows that of the four core metro counties, Cobb and DeKalb counties have the smallest populations, with Cobb County having the largest percent of its population identifying itself as white. Gwinnett has a slightly younger population than the other counties, with Fulton and DeKalb having slightly older populations. Median household income is highest in Cobb County and lowest in DeKalb County by 22 percent with almost 19 percent of the population living below the poverty level. DeKalb County is the most densely populated and has the lowest number of business establishments and the lowest number of building permits in 2012.

Table 3.1: Metro County Characteristics for 2013

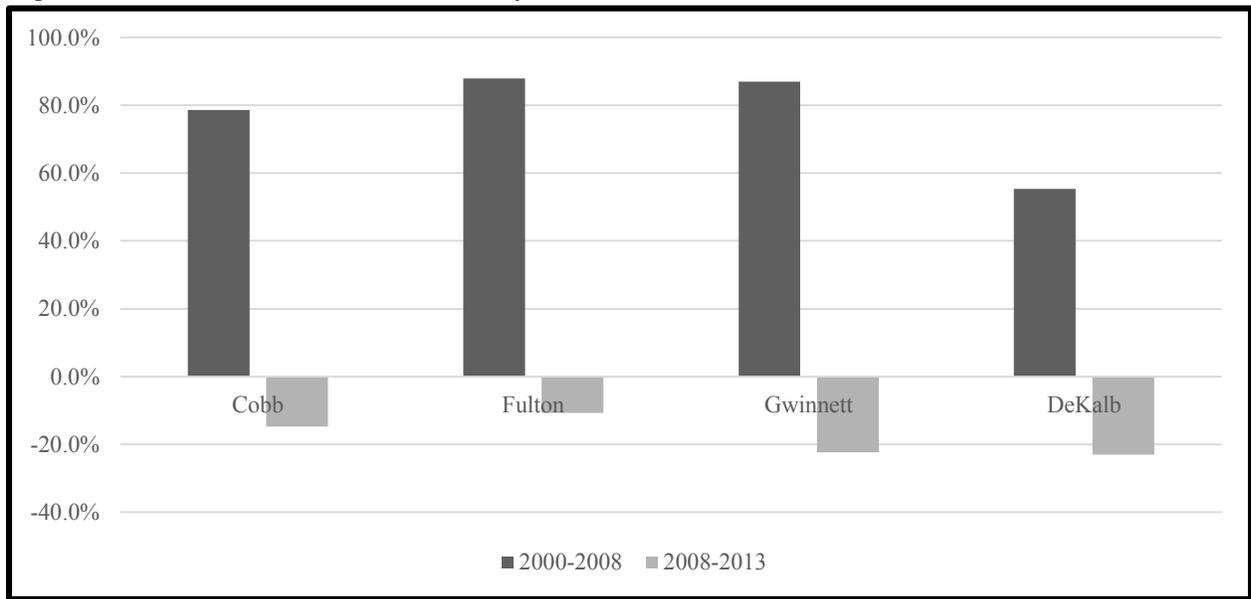
	Cobb	DeKalb	Fulton	Gwinnett
Population	717,190	713,340	984,293	859,304
% of Population identifying as White	65.5%	37.0%	46.9%	59.1%
% of Population Under 18	24.9%	23.7%	23.5%	28.1%
% of Population over 65	10.2%	10.0%	10.1%	8.2%
Median HH Income	\$65,180	\$51,252	\$57,664	\$61,944
Persons living below poverty level	11.9%	18.6%	16.8%	13.7%
Persons per square mile	2,026.4	2,585.7	1,748.0	1,871.2
Number of Private nonfarm establishments, 2012	19,176	15,881	33,332	21,210
Building permits, 2012	2,245	673	3,432	2,469

Source: Census Quick Facts

In terms of the property tax base, all counties experienced significant growth over the 2000-2008 period and equally significant declines in the value of the property tax base over the 2008-2013 period as shown in Figure 3.1.

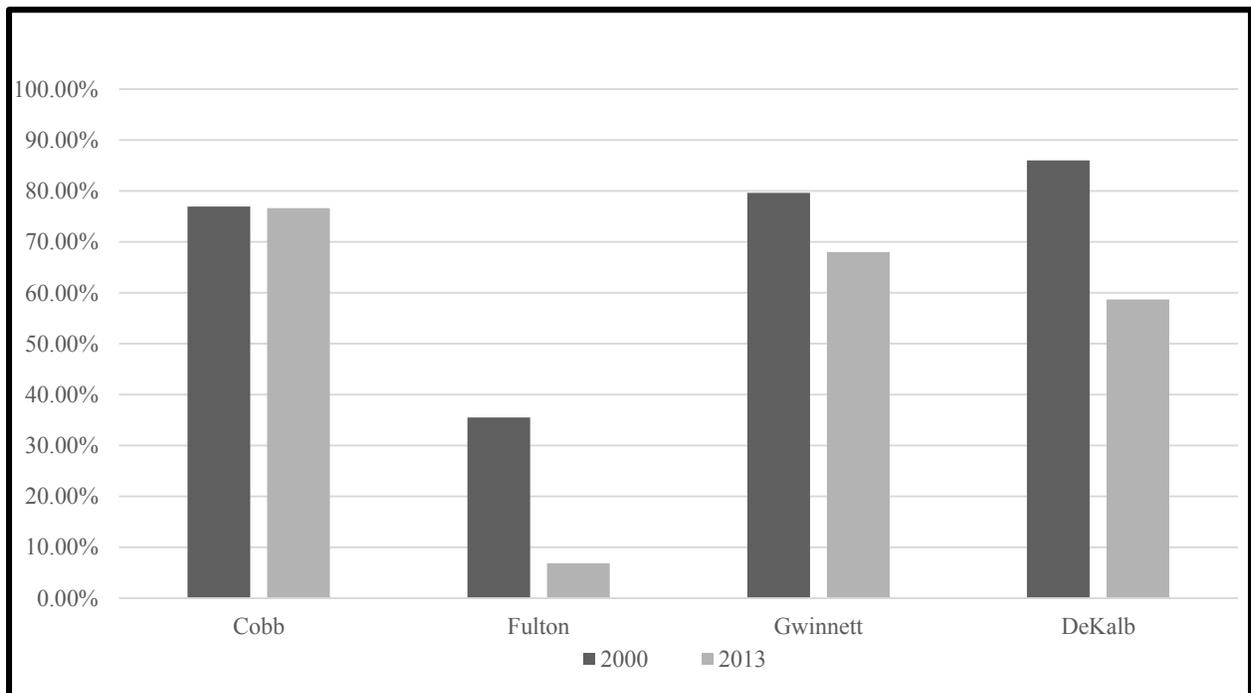
Figure 3.2 shows that of the four core metro counties, Fulton County has experienced the largest transfer of property from the county to the incorporated areas. This is due to the incorporation of all parts of the county in the middle and late part of the 2000s, with the exception of the South Fulton Tax district. Over the 2000-2013, DeKalb County transferred property to the incorporated base due to the incorporation of Dunwoody and Brookhaven and due to several annexations.

Figure 3.1. Growth Rates in Total County Assessed Value, 2000-2008 and 2008-2013



Source: Georgia Department of Revenue property tax data, author's calculations

Figure 3.2. Unincorporated Assessed Value as a percent of Total County Assessed Value, 2000 and 2013



Source: Georgia Department of Revenue property tax data, author's calculations

Is Incorporated DeKalb Different from Unincorporated DeKalb County?

Due to the annexations and incorporations, the incorporated and unincorporated areas have become more distinct. For example, the incorporated areas have increased in terms of the percent of their population which is white but has remained fairly constant in the share of the population under 18 years of age and over 65 years of age compared to the unincorporated population of the county as shown in Table 3.2.

Table 3.2. Unincorporated and Incorporated Demographics, 2000 and 2010

	2000		2010	
	Unincorporated	Incorporated	Unincorporated	Incorporated
Population	578,736	87,129	560,807	131,086
% of Population	86.9%	13.1%	81.1%	18.9%
% White	34.7%	43.27%	27.6%	57.4%
% Under 18	24.8%	23.5%	24.2%	22.6%
% over 65	7.8%	9.1%	8.8%	10.0%

Source: 2000 and 2010 Census Data, public use micro sample

In terms of income measures, household income fell for both the incorporated and unincorporated populations between the 2007 and 2013 period. In addition, both populations saw a rise in the number of persons with incomes below the poverty level. In general though, the incorporated area household income is higher with fewer individuals living below the poverty level than in the unincorporated area as can be seen from the information in Table 3.3.

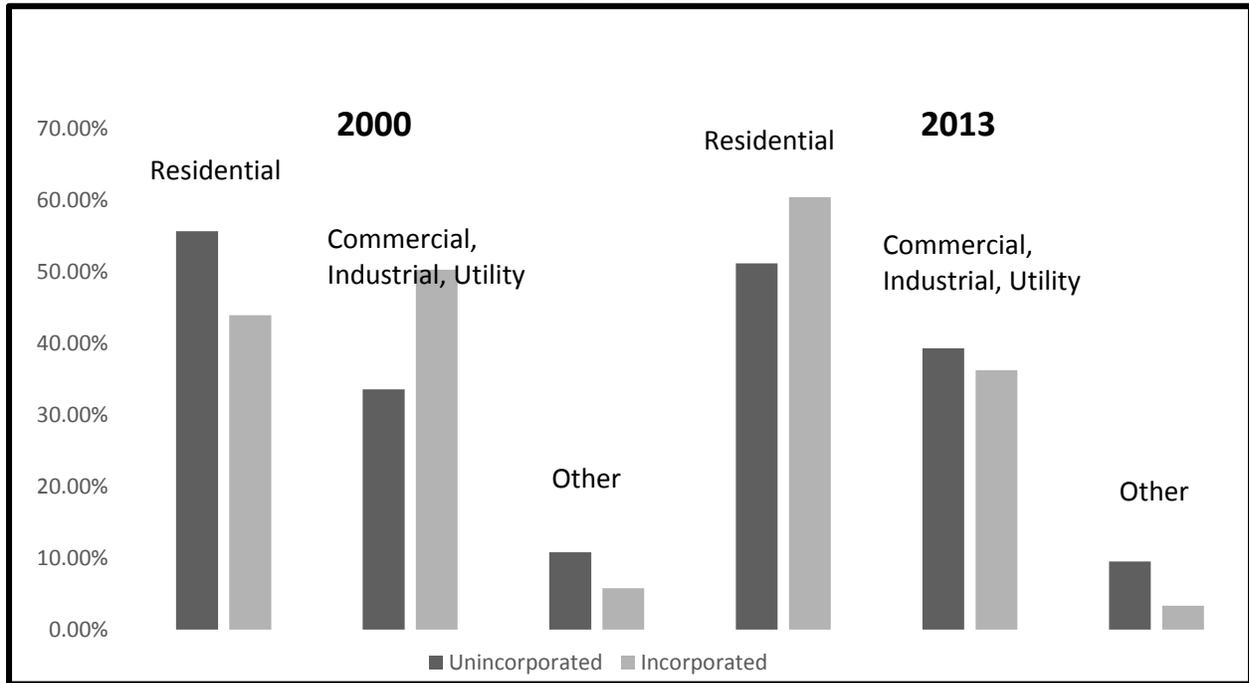
Table 3.3. Unincorporated and Incorporated Income, 2007 and 2013

	2007		2013	
	Unincorporated	Incorporated	Unincorporated	Incorporated
Median HH Income	\$50,135	\$56,940	\$47,884	\$55,178
Persons below poverty level	12.60%	11.70%	17.08%	15.59%

Source: American Community Survey for 2007 and 2013, 3 year sample

In 2000, the tax bases of the incorporated areas more closely resembled that of the unincorporated areas in terms of the mix of types of property as seen from Figure 3.3. In 2000, the unincorporated tax base was about 55 percent residential and 33 percent commercial, industrial, or utility. The remaining 12 percent was mainly attributable to motor vehicles. The incorporated base was about 44 percent residential, 50 percent commercial and about 6 percent attributable to motor vehicles. In 2013, the share of the incorporated tax base attributable to residential property increased to about 60 percent with the commercial percentage falling to 36 percent and the other category falling to about 3 percent of the total incorporated tax base.

Figure 3.3 Percent of Assessed Value by Property Type, 2000 and 2013

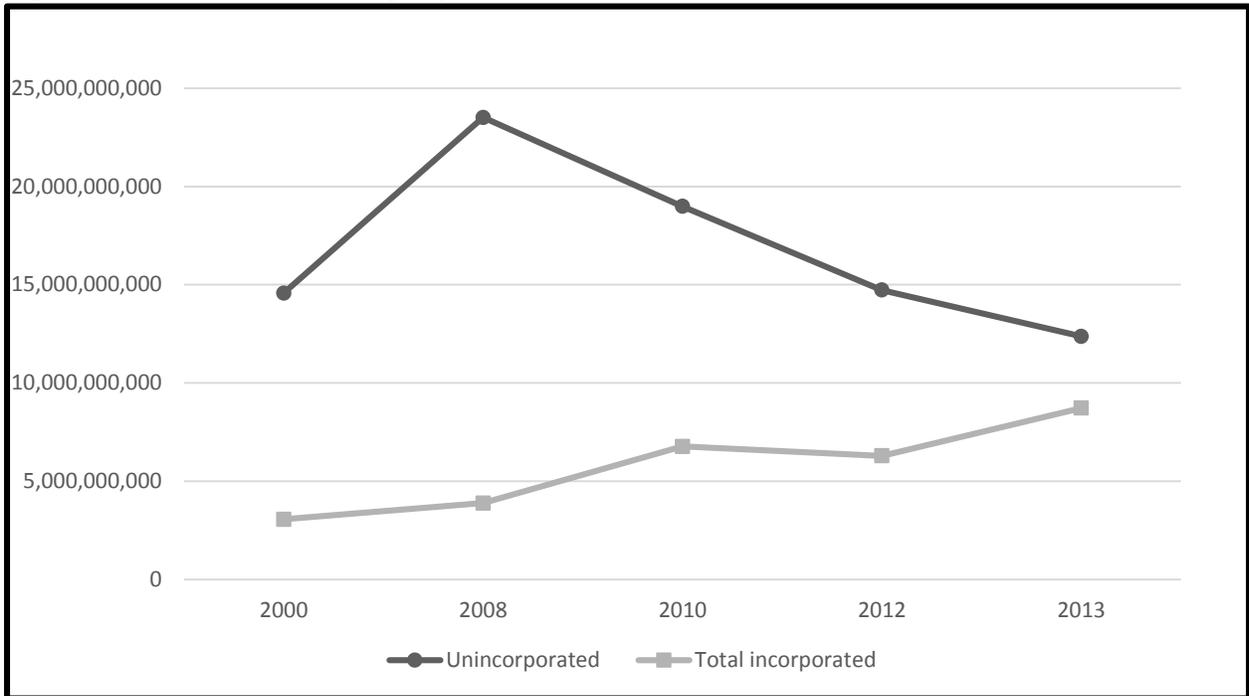


Source: Georgia Department of Revenue property tax data, author's calculations.

Figure 3.4 shows that in terms of the value of the property tax base, the value for the unincorporated base still exceeds that of the incorporated base but has been falling steadily since 2008 after having risen sharply between 2000 and 2008. The value of the incorporated base has generally risen between 2000 and 2013 due to the addition of new property into the incorporated area. While the tax base in the incorporated areas were hard hit during the recession, the inclusion of previously unincorporated property offset the decline in existing incorporated property so that the base as a whole increased throughout the 2000-2013 period.

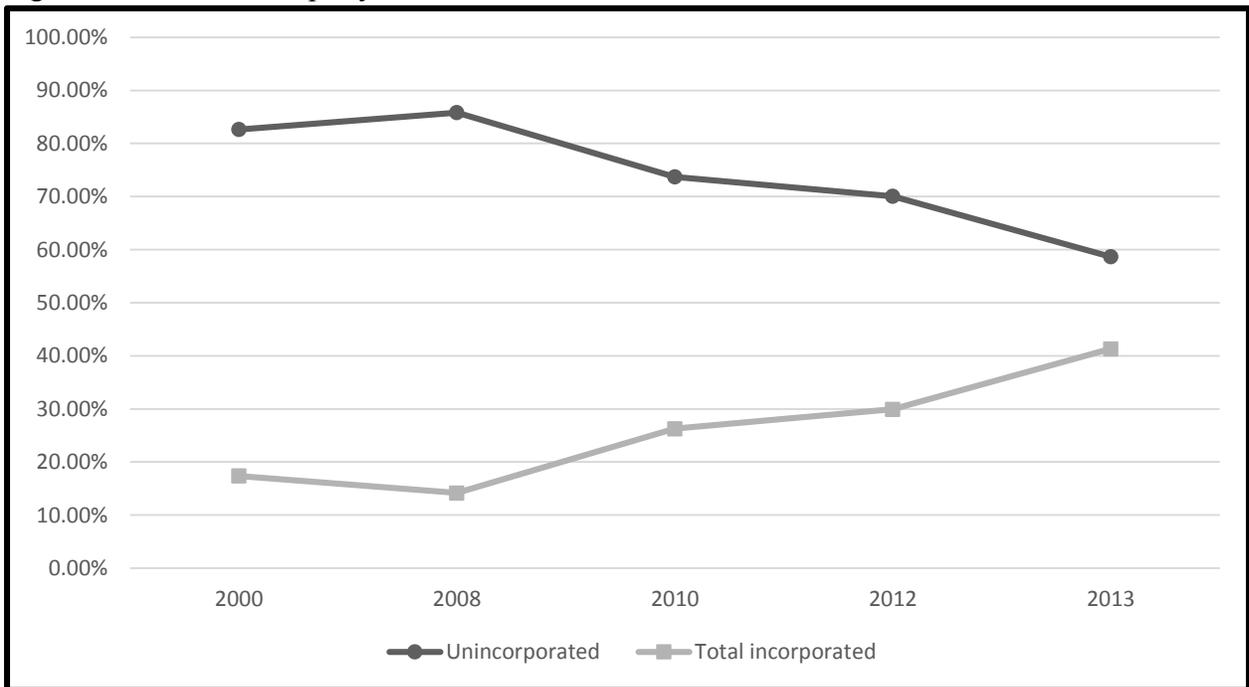
Over the 2000-2013 period the share of the property tax base attributable to the incorporated area has increased while that attributable to the unincorporated area has fallen as seen from Figure 3.5. The sharp rise in the incorporated base in 2008 is due to the incorporation of Dunwoody and the rise between 2010 and 2012 is mainly due to the incorporation of Brookhaven. Although, the incorporated areas of the county accounted for only 18 percent of the population in 2013, they accounted for 41 percent of the property tax base.

Figure 3.4. Total Value of Property Tax Base



Source: Georgia Department of Revenue property tax data, author's calculations.

Figure 3.5. Share of Property Tax Base



Source: Georgia Department of Revenue property tax data, author's calculations.

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