

CHAPTER 110-12-8-.02
DEFINITIONS

110-12-8-.02 Definitions. For the purpose of these rules, the following words will have the meaning as contained herein unless the context does not permit such meaning. Terms not defined in these rules but defined in O.C.G.A. § 36-36-110, et seq., will have the meanings contained therein. Terms not defined in these rules, or in O.C.G.A. § 36-36-110, et seq., will have ascribed to them the ordinary accepted meanings such as the context may imply.

(1) ‘Affected Parties’ means 1) the local government considering action on a petition for annexation; 2) the local government whose territory could potentially be annexed; and, 3) any impacted school system as defined in the applicable statute.

(2) ‘Case Coordinator’ is a case coordinator for the parties involved. A case coordinator is designated by each of the local governments as their official representatives to the annexation arbitration process. These individuals must be given authority to act for, and represent the interests of local government they represent. The case coordinator may be but is not necessarily legal counsel for a party.

(3) ‘Days’ means calendar days. The General Assembly has clearly chosen to reference “calendar days” in formulating the statute rather than simply “days” and, as such, it is not the practice of the Department to “read out” the word “calendar” as “mere surplusage.”

(4) ‘Good Faith’ means participating in the annexation arbitration process in a sincere effort to resolve any conflict. This includes, but is not limited to:

- Full-time attendance by the local government’s official designee at all annexation arbitration sessions,
- Withholding final action on the annexation and any development permissions associated with the proposed annexation until the annexation arbitration process is concluded as described in these rules;
- Providing required materials and responses to the Department, affected parties, case coordinators, the panel, any appointed neutral and coordinating in the management of logistics of scheduling; and,
- Paying costs associated with the annexation arbitration process as provided in these rules.

(5) ‘Hearing Officer’ is a neutral, as found on the Georgia Court Professional Directory hosted by the Judicial Council of Georgia, Administrative Office of the Courts. A hearing officer is responsible for the administrative aspects of the arbitration panel’s hearings.

(6) ‘Local Government’ means any county, municipality, or consolidated government.

(7) ‘Local Plan’ means the comprehensive plan for a local government prepared in accordance with the requirements established by the Department.

(8) ‘Process Manager’ means a staff person at the Department who serves as its point of contact for the affected parties and administrator of the Department’s role throughout the panel appointment process.

(9) ‘Qualified Local Government’ means a county or municipality that:

- Adopts and maintains a comprehensive plan in conformity with the local planning requirements;
- Establishes regulations consistent with its comprehensive plan and with the local planning requirements; and
- Does not fail to participate in the annexation arbitration in a manner in which, in the judgment of the Department, reflects a good faith effort to resolve any conflict.

(10) ‘Regional Commission’ means any commission established under O.C.G.A. § 50-8-32 (effective July 1, 2009).

(11) ‘Verification’ when referenced under ‘Verifiable delivery’ in the statute means delivery that can be decisively confirmed to have occurred. The Department will verify delivery of all statutorily-required notices using the following mechanisms provided by the parties, as applicable based upon indications in the materials provided:

- Tracking number produced by a mail carrier service (e.g., USPS, FedEx, UPS);
- Email with associated read-receipt;
- Scan or photo of the notice clearly showing a date-received stamp on the document accompanied by the signature of the person who received the notice on behalf of the party.

Statutory Authority O.C.G.A. § 36-36-110, et seq.; O.C.G.A. § 50-8-1, et seq.

CHAPTER 110-12-8-.03 ANNEXATION ARBITRATION PROCESS

110-12-8-.03 Annexation Arbitration Process

(1) Petition for Annexation Arbitration. A petition for annexation arbitration must be filed with the Department to begin the process.

(a) HB2a. The Department’s *HB2a Notification of Objection to Annexation and Request for Panel* form must be used by the party petitioning for appointment of an arbitration panel. All fields on the form must be completed, including:

- The County name;
- The City name;
- A legal description of the subject property or properties; and
- Contact information for the local governments and property owners.

Form HB2A shall be accompanied by supporting materials, including a copy of the Notice of Annexation provided in O.C.G.A. § 36-36-111, a copy of the Notice of Objection provided in O.C.G.A. § 36-36-113, the owner's/developer's petition for annexation, documentation showing that a majority of the elected body of the objecting local government voted in favor of the objection, and any additional correspondence or materials exchanged between the parties relevant to the proposed annexation.

(b) Verifiable Delivery. The HB2a form and accompanying materials must be sent to the parties and the Department by Verifiable Delivery. In all circumstances, regardless of the method of delivery, the means of verifying delivery shall be clearly evident on the materials provided.

(2) Review of the Petition. Upon receipt of a petition for annexation arbitration, the Department will review the petition and determine whether the conflict is eligible for annexation arbitration. In making this determination, the Department must consider if the following conditions have been met:

(a) Standing. Whether the petitioner is or is an authorized representative of the affected county governing authority.

(b) Completeness. Whether the petition is complete and accompanied by the required supporting materials, as described above, including the provision of a mechanism to verify delivery for all statutorily-required notices as defined above.

(c) Timeliness. Whether all statutorily-required notices issued thus far into the process have included all materials and information required by statute and whether such notices have been timely delivered, in accordance with the timeline prescribed by statute, based upon the Department's verification.

1. Notice of Annexation. Within 30 days of a municipal corporation's acceptance of a petition of annexation, the municipal corporation shall notify the governing authority of the county and any impacted school system in which the territory to be annexed is located by verifiable delivery. Statute provides that this Notice of Annexation includes the proposed zoning and land use for such area.

2. Notice of Objection. The county can then object by majority vote. The objection will be delivered to the municipal corporation and the Department by verifiable delivery, no later than the end of the 45th day following the county's receipt of the Notice of Annexation from the city.

(d) Jurisdiction. Whether the petition is based upon an objection that is subject to annexation arbitration as provided in section O.C.G.A. §36-36-113 of statute. The Department shall make no determination as to the validity of the objection as such determination is reserved exclusively to the arbitration panel. Rather, the Department shall focus its determination on whether the objection:

1. Advances any arguments related to a potential material increase in burden upon the county resulting from change in proposed zoning or land use, proposed increase in density, and/or infrastructure demands related to the proposed change in zoning or land use. Objections failing to advance such arguments cannot be considered by an annexation arbitration panel.
2. Provides any information purporting to be evidence demonstrative of any potential financial impact that could result from the proposed annexation.

The Department will decline to advance petitions for annexation arbitration that fail to meet all of the conditions detailed above. Once such a determination has been reached, the Department will notify all affected parties of this determination and explain its rationale for doing so. The objecting local government may revise, amend, and perfect its petition and resubmit it for the department's review if sufficient time remains to provide it via verifiable delivery to the municipal corporation and the Department prior to expiration of the 45 days allotted to the county for filing its Notice of Objection.

(3) Advancement of the Petition. If, after reviewing the petition, the Department determines that the annexation conflict is eligible for arbitration via this process, it shall notify the parties listed below.

- The petitioning local government;
- The local government whose proposed action is the subject of the arbitration;
- The impacted school system;
- Other members from the local governments possibly including but not limited to the planning directors, the county and city manager, and the chief elected officials;
- Members of the Georgia Municipal Association and the Association of County Commissioners of Georgia;
- The planning director of the regional commission in which the subject property is located;
- Appropriate additional staff at the Department;
- Qualified arbitration panelists from the municipal, county, and academic pools as provided by statute.

(4) Initiation of Annexation Arbitration Process. The Department shall follow this process in appointing a panel.

(a) Availability and Eligibility to Serve. Once the Department has provided notice that the petition will advance, it shall attempt to appoint an arbitration panel. The Department will inform eligible individuals within the pools of panelists established for this purpose regarding the matter that their participation on a panel has been requested and ask them to confirm their availability and eligibility.

(b) Selection of Potential Panelists. Once the Department has received the necessary number of panelists: 4 from the county pool, 4 from the municipal pool, and 3 from the academic pool, the Department will contact the city and county for strikes. If an excess of panelists from one or more pools is achieved, the Department shall randomly choose from the available panelists within each pool to reach the number of panelists required for that pool.

(c) Striking Potential Panelists. The Department shall provide the county government the name, title/position, term of office (if from a local government pool) or qualification (if an academic panelist, and the residency of the potential panelists from the municipal and academic pools. The Department shall provide the municipal government the name, title/position, term of office (if from a local government pool) or qualification (if an academic panelist, and the residency of the potential panelists from the county and academic pools. The municipality shall strike two potential panelists from the county pool and the county shall strike two potential panelists from the municipal pool. If both local governments opt to strike the same academic panelist, the Department shall immediately request that the second local government to provide strikes select an alternate academic panelist to strike. The local governments shall use whatever criteria seems most appropriate to them to select its strikes, but under no circumstances shall potential panelists be contacted by any affected parties or on behalf on any affected parties prior to appointment of an arbitration panel.

The local governments shall expeditiously inform the Department of the potential panelists they choose to strike. This information shall be provided by the local government's representative to the Department's process manager via electronic mail. These strikes shall be provided to the Department within the timeframe it provides to the local governments when it requests strikes.

(d) Appointment of the Panel. The forgoing process having successfully completed, an impartial third-party panel will be appointed no later than the 15th day following the date when the Department first received the petition to object. Affected parties and panelists will be notified via electronic mail of the panel's appointment.

If, despite its efforts, the Department is unable to fulfill the request for an arbitration panel within the 15 days provided by statute (e.g., an insufficient number of eligible panelists were available to serve, strikes were not provided to the Department within the requested timeframe, etc.), the Department will necessarily decline to appoint a panel. Statute offers no provision for extension of this timeline or waiver of this requirement. In such a case, the

Department shall notify affected parties of the impasse, that the Department is unable to fulfill the request for a panel, and recommend that the objecting party consider seeking judicial resolution of the conflict.

Appointment of the panel concludes the Department's active role in the process. The Department shall not participate in the scheduling or conducting of meetings/hearings, management of the panel (except in the event of the withdrawal or subsequent ineligibility of a panelist), collecting owed costs, filing of deed restrictions, etc.

(e) Replacement of Panelists. In the event that a panelist becomes or is determined to be ineligible or otherwise unable to participate in the arbitration process subsequent to the panel's appointment, such a panelist may withdraw or be withdrawn from the panel.

The Department will first seek availability of the two potential panelists previously struck from the withdrawn panelist's pool. If either or both of the previously struck panelists is still available and eligible to participate, the Department shall inquire if the local government that struck the panelist(s) is willing to withdraw its strike and accept the appointment of the previously struck panelist as a replacement.

If the local government is unwilling to accept a previously-struck panelist, the Department will again seek available panelists from the entire pool of panelists. The first eligible panelist indicating to the Department that they are available to serve will be appointed as a replacement.

(5) Panelists.

(a) Remuneration. The members of the arbitration panel will receive the same per diem, expenses, and allowances for their service on the panel as authorized by law for members of the General Assembly.

(b) Selection. Panelists will be solicited from an existing pool of eligible participants, meaning they meet the below requirements:

1. A current elected official for a county or city or, someone who was an elected official for a county or city within the past 6 years; or
2. A person with a master's degree or higher in planning or an MPA, who is currently employed by an institution of higher learning in Georgia, other than the Carl Vinson Institute of Government of the University of Georgia; and
3. They have attended the appropriate training regarding annexation arbitration. All potential panel members must have attended this training.

(c) Frequency of Participation. As nearly as practicable, no one from the pool of potential panelists should serve on a panel more than four times in one calendar year.

(d) Residency. Panelists shall not participate in an arbitration panel if they currently live in a county or city that is party to the conflict. Pool members shall notify the Department of their updated address if they change residence into the territory of a different local government while in the pool of potential panelists.

(6) Meetings. The panel, once appointed, should meet as soon as practicable after the appointment and receive evidence and argument from the local governments and the applicant or property owner. These meetings can take place in person, virtually, or via teleconference. Any meeting should provide an opportunity for all affected parties to be present.

It is not necessary to have a formal meeting to determine availability for meetings, set the location of meetings, and other such logistical matters, however, coordination with local governments is encouraged and records of correspondence should be maintained. The panel may, however, determine it is necessary to conduct one or more preliminary meetings of its members to handle organizational issues (e.g., electing a chair and/or secretary, adopting rules of order, determining if it will retain the services of a hearing officer and/or court reporter, etc.). The panel may also determine that meetings subsequent to the presentation of evidence and arguments are necessary to allow for discussion amongst the panelists and deliberation.

Any meeting within which evidence is to be presented or argument to be made shall be open to the public, however, they are not public hearings and, as such, are not subject to the statutory requirements applicable to public hearings. Any opportunity for input or involvement by the general public in any meeting is at the discretion of the panel (or its elected chair, if such a position is created), however, under no circumstance shall public comment be permitted to impair, impede, interrupt, or otherwise frustrate the presentation of evidence and arguments by the local governments.

The panel shall meet at times, dates, locations, and via media of its own choosing and the affected parties must comply with the scheduling set by the panel. In doing so, the panel shall make all reasonable effort when dictating its schedule to allow attendance by all affected parties. Ultimately, however, the panel shall dictate the schedule of meetings, not the affected parties.

Written record of all meetings shall be kept by the panel (its elected secretary, its appointed hearing officer, and/or court reporter). Such records shall include, but not be limited to:

- Identities of panelists and representatives of affected parties in attendance (and any absences of required attendees);
- Copies of documents provided to the panel and/or produced by the panel (e.g.: agenda, if created; schedule of meetings; documentary evidence presented);
- Motions made by panelists and the local governments; and,
- Outcome of votes taken by the panel including the number of those in favor and opposed, the identity of those in favor and opposed.

All determinations and decisions of the panel whether pertaining to its own organization (e.g., electing a chair), the merits of the case (e.g., determining whether to impose zoning restrictions), or any other substantial matter shall be made on the basis of a majority vote of the five panelists. All votes shall be “Yay” or “Nay” with no abstentions permitted.

(7) Evidence and Argument. The panel shall conduct a meeting at which the local governments shall present evidence and arguments related to the following topics:

- The existing local comprehensive plans of both the County and City;
- The existing land use patterns in the area of the subject property;
- The existing zoning patterns in the area of the subject property;
- Each jurisdiction's provision of infrastructure to the area of the subject property and to the areas in the vicinity of the subject property;
- Whether the county has approved similar changes in intensity or allowable uses on similar developments in other unincorporated areas of the County;
- Whether the county has approved similar developments in other unincorporated areas of the county which have a similar impact on infrastructure as complained of by the County in its objection; and
- Whether the infrastructure or capital outlay project which is claimed adversely impacted by the county in its objection was funded by a county-wide tax.

The county shall provide supporting evidence that its objection is consistent with its local comprehensive plan and the pattern of existing land uses and zonings in the area of the property, which may include, but not be limited to, adopted planning documents and capital or infrastructure plans. Likewise, the municipal corporation shall provide supporting evidence that the proposed annexation is consistent with its local comprehensive plan and the pattern of existing land uses and zonings in the area of the property, which may include, but not be limited to, adopted planning documents and capital or infrastructure plans. Both sides may provide evidence and argument undermining the evidence and argument presented by its opposition.

Evidence and argument not relevant to the grounds for objection provided at O.C.G.A. § 36-36-113 or related to the items listed and discussed above (e.g., arguments related to contiguity of borders or the creation of “unincorporated islands”) are beyond the panel’s purview and, as such, shall not be presented to or entertained by the panel.

(7) Deliberation and Decision. The panel shall meet to deliberate and make decisions on the outcome of the arbitration. This may occur in one or more meetings, as determined by the panel. This may occur during the same meeting as the meeting(s) within which evidence and argument are presented, but it is not necessarily so. The panel may determine whether to allow the presence of any affected parties, the local governments, and/or the public at meetings within which it will conduct deliberations and make its decisions on the outcome of the case.

If the panel discovers that it has additional questions while deliberating without the presence of the parties, it shall present any such questions in exactly the same manner to both local governments providing both of them the opportunity to respond. These questions and local government responses may be presented and responded to either in writing or at a meeting of the panel. The local governments shall respond to any such questions and participate in any meetings as required by the panel.

The panel shall first determine whether or not the grounds for objection as specified in the objection are valid pursuant to O.C.G.A. § 36-36-113. In reaching its determination, the panel shall consider the local governments' arguments and evidence as it relates to the grounds provided by statute and the directions provided above. After deliberation, the determination of the panel shall be established by majority vote of the five panelists.

If the panel determines that an objection is valid, they shall, by majority vote of the five panelists, determine whether or not it necessary to establish development limitations including reasonable zoning, land use, or density conditions that are applicable, to the annexation and propose reasonable mitigating measures as to an objection pertaining to infrastructure demands.

The panel may determine by majority vote of the five panelists that either of the local governments has advanced a position that is not valid on its face. If the position advanced by a local government determined by the panel to have so wholly invalid, the costs associated with the annexation arbitration process which would have generally been divided equally between the local governments will be borne in their entirety by the party deemed to have advanced such a position. The rationale for this method of apportioning costs shall be clearly communicated in the panel's findings.

The panel's determination(s) and any necessary development limitations and/or other mitigation measures shall be detailed in writing.

(8) Process Options.

(a) Court Reporter & Hearing Officer. The panel may elect to employ a court reporter and/or hearing officer to assist the panel in creating procedural records and/or managing the hearing process. All costs and charges related to the employment of a court reporter and/or hearing officer shall be evenly divided between the local governments except as otherwise provided. The court reporters and hearing officers available to the panel shall be will come from the Georgia Court Professional Directory hosted by the Judicial Council of Georgia, Administrative Office of the Courts. Hearing Officers shall be selected from the court professionals labeled "neutrals" in the directory while court reporters shall be selected from among those labeled as such in the directory.

(b) Decision Extension. While generally, the panel is to render a decision regarding the annexation arbitration dispute no later than 60 days following its appointment, the chair of

the panel is authorized to extend this deadline once, for a period of up to 10 business days. The need for such an extension shall be based upon such criteria as the chair deems appropriate and necessary to conform with the purpose of the process. Such an extension shall be immediately provided in writing to all affected parties and the Department via verifiable delivery.

(c) Postponement. The City and County may, by mutual agreement, postpone the arbitration process for a period of up to 180 days to negotiate a potential settlement. This postponement will pause the 60-day deadline. Any such agreement shall be immediately provided in writing to all affected parties, the panel, and the Department via verifiable delivery.

(d) Costs. The arbitration costs will generally be split evenly between the county and the municipal corporation. However, as provided above, in some circumstances, the panel may elect to apportion the entirety of the costs associated with the arbitration process to one party. Regardless of the manner of apportioning costs (i.e., evenly split or wholly apportioned to one party), all associated process costs, including any reasonable costs of the property owner or owners participating in the process, will be apportioned in the same manner. Fees shall be payable to, as apportioned, within 45 days of the conclusion of the arbitration process as provided in these rules.

(e) Withdrawal. The objecting local government may, by majority vote of its elected body, withdraw its objection at any point of the process for any reason. If withdrawal occurs after costs have been incurred, all parties shall be responsible for their own costs, and any costs that may have already been incurred by the panel shall be split evenly between the county and the municipal corporation.

(f) Appeal. The municipal or county governing authority or an applicant for annexation may appeal the decision of the panel by filing an action in the superior court of the county within 10 days from the verified receipt date of the panel's findings. The sole grounds for appeal shall be to correct errors of fact or of law, the bias or misconduct of an arbitrator, or the panel's abuse of discretion. Any party filing such an appeal shall provide a notice to all the affected parties, the Department, and the panel that has filed such an action. Copies of all filings including any order(s) issued as a result of the appeal shall be provided to the Department via verifiable delivery. Any unappealed order shall be binding upon the parties.

(g) Interparty Negotiations. The county, the municipal governing authority, and the property owner or owners shall negotiate in good faith throughout the annexation proceedings provided by this article and may at any time enter into a written agreement governing the annexation. Such agreement may provide for changing the zoning, land use, or density of the annexed property during a period of less than 2 years. All costs that may have been incurred by the parties and/or the panel shall be apportioned as provided in the agreement. Any such agreement shall be immediately provided in writing to all affected

parties, the panel, and the Department via verifiable delivery. If such an agreement is reached after the arbitration panel is appointed and before its dissolution, the panel shall hold a meeting at which the agreement shall be adopted by the panel as its findings.

(9) Conclusion of Annexation Arbitration Process. The panel's findings shall be detailed in writing and provided to the affected parties and the Department by verifiable delivery within 60 days of its appointment.

(a) If the findings contain zoning, land use, or density conditions, or other mitigating measures, the county shall ensure that the findings are recorded in the deed of records of the County with the following caption description:

1. The name of the current property owner
2. Recording reference of the current owner's acquisition deed and a general description of the property
3. Clearly stating any expiration date of any restrictions or conditions

Documentation clearly demonstrating that this recordation has occurred shall be provided to the affected parties once it has been completed.

(b) By operation of law, requiring no further action of the Department, the affected parties, or the panel, itself, the panel shall be dissolved on the 10th day after it renders its findings. However, the panel may be reconvened if, upon appeal, the court remands the matter to the panel for further consideration. If so reconvened, the panel shall, again, be dissolved on the 10th day after it renders its further findings.

(c) The annexation arbitration process will be understood to have concluded after: the Department has received the panel's findings; remuneration for costs has been provided; either the opportunity to appeal the panel's decision has expired or the appellate process has concluded; and, if the court has remanded the matter to the panel, the panel has completed that process and provided its subsequent findings to affected parties, the Department, and the court.

(d) Following the conclusion of this process, the city and an applicant for annexation may either accept the findings of the panel and proceed with the remaining annexation process or abandon the annexation proceeding, altogether.

(e) If at any time during the proceedings the municipal corporation or applicant abandons the proposed annexation, the county shall not change the zoning, land use, or density affecting the property for a period of one year unless such change is made in the service delivery agreement or comprehensive plan and adopted by the affected city and county and all required parties.

(f) If the annexation is completed after final resolution of any objection, whether by agreement of the parties, act of the panel, or court order as a result of an appeal, the annexing local government shall not change the zoning, land use, or density of the annexed property for a period of 2 years unless such change is made in the Service Delivery Strategy or Comprehensive Plan and adopted by the affected city and county and all required parties.

Statutory Authority O.C.G.A. § 36-36-110, et seq.; O.C.G.A. § 50-8-1, et seq.

CHAPTER 110-12-8-.04 **Compliance**

(1) Participation. O.C.G.A. § 50-8-18(c) defines a “Qualified Local Government” as a county or municipality which has not failed to participate in the Department’s mediation or other means of resolving conflicts in a manner which, in the judgement of the Department, reflects a good faith effort to resolve any conflict. If, prior to the process’s conclusion as described above, the Department determines that either or both local governments are not participating in the annexation arbitration process in good faith, the Department shall decertify the local government’s(s’) qualified local government status (“QLG status”)for a period the Department deems necessary to promote a return to good faith participation and discourage any future disruption to the instant annexation arbitration and future annexation arbitration processes.

The Department shall issue a Notice of Intent to Decertify to the affected parties and the panel by verifiable delivery seven days prior to decertifying the local government’s(s’) QLG status. This notice shall detail the (in)actions determined by the Department to be unreflective of good faith participation and provide recommendations to assist in correction by the local government(s). If, during those seven days, the local government(s) have successfully addressed the Department’s concerns, QLG status shall not be interrupted. If, upon passage of the seventh day, the Department’s determines that its concerns have not been satisfactorily addressed, it shall issue a Notice of Decertification via verifiable delivery to all affected parties and the panel and shall follow the Department’s standard practice of notifying the public and other governmental entities of the decertification.

(2) Violation of Conditions. No local government may change the zoning, land-use, or density of the annexed property prior to the expiration of the timeframes provided by O.C.G.A. § 36-36-112, § 36-36-117, or § 36-36-118. A party aggrieved by such a violation may seek relief from a court of competent jurisdiction, however, any such violations, outside of the annexation arbitration process or subsequent to its conclusion, are not within the purview of the Department.

Statutory Authority O.C.G.A. § 36-36-110, et seq.; O.C.G.A. § 50-8-1, et seq.