

CITY OF ATLANTA

2012 LEGISLATIVE PACKAGE



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CITY OF ATLANTA

2012 LEGISLATIVE PACKAGE

1. REVENUE/FISCAL

- A. Allow local governments to increase the E-911 Fee.
- B. Allow municipal courts to add a 10% surcharge to any criminal or traffic fine imposed to fund court programs.
- C. Allow for a jail booking fee to cover costs associated with booking arrestees.
- D. Allow municipal jails to charge a bonding per charge fee.
- E. Allow limited pension fund investments in alternative financial instruments.
- F. Increase the wholesale alcohol tax.
- G. Increase the tax on alcohol-by-the-drink.
- H. Impose a tax on beer and wine by-the-glass.

2. PUBLIC SAFETY

- A. Amend state law to address the limitations to law enforcement regarding secondary metals recycling.
- B. Allow local government to remedy blight and then transfer the property to private party.

3. MUNICIPAL GOVERNMENT

- A. Amend state law to change local government contract expiration term to read “fiscal” instead of “calendar”.
- B. Require independent school districts to compensate municipalities for the cost of conducting their elections. Constitutional Amendment
- C. Exempt a citizen review board from the requirement to release documents under an open records request until all entities have finished their respective investigations.

4. SEWER/WASTEWATER

- A. Support earmarking of stipulated penalties paid to the State of Georgia for spills and other Consent Decrees violations to fund supplemental environmental projects in the City of Atlanta.

E-911 FEE

Department: Finance

Contact: Gary Donaldson / Carol King

Summary – The City of Atlanta has been operating the 911 emergency service operations at a deficiency every year since its inception. State law limits the fee amount charged to landlines, wireless cell phones and VOIP to \$1.50 per month per line. The audited accumulated deficit between fiscal years 2007 through June 30, 2009 is negative \$31 million.

Requested Change to Current Law – Amend O.C.G.A. 46-5-134, Payment and collection of monthly “9-1-1” and wireless enhanced “9-1-1” to allow for local governments to charge fees to recoup the true costs of maintaining a 9-1-1 program.

Expenses/Fiscal Estimate – According to the latest audit, the cost of providing the E-911 system is \$16 million for the City. Raising the fee to recoup costs would prevent the City from having to cover these costs from the general fund.

Additional Information – The City’s 911 system serves approximately 450,000 Atlanta citizens. It also serves approximately 1 million additional people (workers, tourists, conventioners, elected officials) who come into Atlanta every day and deserve a strong 911 system to answer their calls and provide assistance.

COURT PROGRAMS FUNDING

Department: Municipal Court

Summary – Amend the Charter of the City of Atlanta, Georgia Adopted under and by virtue of the authority of the Municipal Home Rule Act of 1965, O.C.G.A. Section 36-35-1. So as to allow the City of Atlanta Municipal Court (hereinafter “the Court”) to assess a surcharge of 10 percent of any fine imposed, not to exceed \$50.00 for any offense against a criminal or traffic law of this state or any ordinance of the City of Atlanta to support court programs; 5 percent of such surcharge funds shall be deposited into a project account (to be titled “Municipal Court Programs”) of the general fund to be used for court programs (i.e. mental illness); and the other 5 percent shall be deposited into a state surcharge fund to be used for court programs.

Expenses/Fiscal Estimate – The City of Atlanta would collect approximately \$1M/yr in additional revenue based on current case filings. Of which, \$500K/yr would be remitted to the State.

There would be no additional labor cost to assess the 10% surcharge fee.

Additional Information – Currently, the City of Atlanta funds 40 percent of court programs and the other 60 percent is funded via federal/state funds. Due to nationwide budget cuts, these funding sources are at risk. As such, the court is seeking additional revenue streams to maintain the much needed and valuable court programs. Furthermore, this 10 percent surcharge assessment will also benefit the initiatives of the Georgia Superior Court Clerks’ Cooperative Authority (GSCCCA).

JAIL BOOKING FEE

Department: Corrections

Contact: Chief Labat

Summary – Allow for a jail booking fee of \$125 to cover the costs associated with booking arrestees.

Expenses/Fiscal Estimate – The estimated total fees received would be \$814,950 per year to cover the jail's costs.

BONDING PER CHARGE FEE

Department: Corrections
Contact: Chief Labat

Summary – Allow municipal jails to charge a separate \$20 bond for each charge. Counties currently have this ability to do this.

Expenses/Fiscal Estimate – The estimated total fees received would be \$1,294,830 per year to cover the jail's costs.

PENSION INVESTMENTS

Department: Finance/Pension Boards

Summary/Requested Change – Amend state law to allow for broader investment options for various pension funds. The City of Atlanta sponsors three (3) defined benefits pension plans with unfunded liabilities in excess of a billion dollars. The plans are limited in the type of investment vehicles they are allowed to invest in, which significantly hampers their ability to maximize their return on investment.

In the past several years, an increasing number of defined benefit pension plans in the US have been looked beyond stocks and bonds and investing in alternative investments—including private equity, hedge funds, real estate, infrastructure and commodities. Until 2010, Georgia was the only state in the country that did not allow public pension plans to invest in alternative investments. The current law only permits the Georgia Firefighters' Pension Fund to invest up to \$1.2 million in alternative investments.

The investment community feels the existing state law has prevented the flow of cash to startups, stunting attempts by entrepreneurs to create the next Silicon Valley or Research Triangle Park in the state of Georgia. The director of the National Association of State Retirement Administrators feels the ban on alternative investing is a "flawed policy" that is hurting Georgia's taxpayers.

Expenses/Fiscal Estimate – Pension sponsors are spending a lot of money on underfunded pension plans. Having the ability to consider alternative investment instruments will increase annual returns, diversify overall portfolio and mitigate risk, further strengthening the pension funds' fiscal stability.

WHOLESALE ALCOHOL EXCISE TAX

Department: Finance

Contact: Gary Donaldson

Summary/Requested Change – This proposal would allow the City to increase the excise tax on the sale of distilled spirits by the package, at the wholesale level. The current rate is \$0.22 per liter of distilled spirits, excluding fortified wines, and the proposed increase would raise the tax to \$0.33 per liter.

Expenses/Fiscal Estimate – This tax currently generates \$10 million in tax revenues. A \$0.11 per liter increase would result in an additional \$5 million in tax revenues.

ALCOHOL TAX-BY-THE-DRINK

Department: Finance

Contact: Gary Donaldson

Summary/Requested Change – This proposal would allow the City the authority to increase the existing Alcohol excise tax by-the-drink from three percent (3%) to five percent (5%) of the purchase price.

Expenses/Fiscal Estimate – A 5% excise tax would result in an estimated \$8 million in revenues based on estimated gross receipts of \$160 million. Currently the City receives \$4.8 million; *the net increase would be \$3.2 million.*

BEER AND WINE BY-THE-DRINK TAX

Department: Finance

Contact: Gary Donaldson

Summary/Requested Change – This proposes would allow the City to impose an excise tax by-the-drink on beer and wine at five percent (5%) of the purchase price.

Expenses/Fiscal Estimate – This proposed excise tax is estimated to generate \$4.5 million dollars annually.

Additional Information – The cost associated with this tax would be passed on to members of the drinking public that dine in restaurants and socialize in bars and taverns within the City of Atlanta. The enforcement of this tax would not create any additional expenses to the City and could be regulated in the same manner as the tax-by-the-drink on mixed drinks that is currently being levied.

COPPER/METALS THEFT

Department: APD

Contact: Alice Johnson/Lt. Giugliano

Summary/Requested Change – The proposal is to amend state law to address the limitations to law enforcement regarding secondary metals recycling. Currently, O.C.G.A. § 10-1-350 et seq. sets forth procedures governing the operations of secondary metals recyclers. Law enforcement’s ability to ensure that persons and entities which are lawfully engaged in secondary metal recycling are abiding by the procedures set forth in the state law is limited.

Expenses/Fiscal Estimate – An exact figure is unknown. However, city property is repeatedly being stolen (wires from light poles, manhole covers, AC units) and having to be replaced at great expense to the city.

TRANSFER OF BLIGHTED PROPERTY

Department: Planning & Community Development

Contact: Commissioner Shelby

Summary/Requested Change – The remedy of blight is a public use. Because the remedy of blight is a public use, the city may exercise eminent domain upon prior payment of just compensation. O.C.G.A. 22-2-2(b) states “All condemnations shall not be converted to any use other than a public use for 20 years from the initial condemnation.” While, as stated previously, remedy of blight is a public use, there is uncertainty about what this means with respect to transfer of title.

Amend O.C.G.A. 22-2-2 to clarify that the 20 year public use rule does not preclude the City from transferring title to private parties once the blight is remedied. Clarification on what the City may legally do with condemned property once the blight is remedied is needed.

CONTRACT EXPIRATION TERM

Department: Law

Summary – Amend 36-60-13 Multiyear Lease, Purchase or Lease Purchase Contracts. The section requires contracts to expire at the end of each “calendar year”. The original intent was to make sure that a contract could not be valid (and, thus, hinder the fiscal authority of a subsequent council) beyond the appropriated funding. The section needs to be changed to reflect that contracts expire at the end of each fiscal year.

Requested Change to Current Law –

§ 36-60-13. Multiyear lease, purchase, or lease purchase contracts.

Amend “calendar” to read “fiscal”.

SCHOOL BOARD ELECTIONS

Department: City Council

Summary – This proposal asks for changes to state law to permit and require independent school systems such as the Atlanta Public Schools to compensate their municipal government for the cost of conducting their elections.

Requested Change – Current judicial interpretation of state law prohibits the school board from expending funds to pay for an election. As a result, the City of Atlanta is forced to pay for both its own elections and that of the school board. For school board elections that overlap with regularly scheduled municipal elections, the City is seeking to split the cost of conducting the election. For special elections held when the City would not otherwise be conducting an election, the City asks that the school board compensate us for the entirety of the costs incurred.

Expenses/Fiscal Estimate – A citywide election costs in excess of \$1.4 million. Most elections are held at the same time City of Atlanta elections are held, and therefore the school district should share approximately half the cost. When the school board has a special election, the cost can be as much as \$60,000 per district, which should be paid for fully by the school district.

OPEN INVESTIGATION EXEMPTION

Department: City Council

Summary – Amend O.C.G.A. 50-18-72 regarding open records exemptions.

Requested Change to Current Law – Exempt a citizen review board from the requirement to release documents under an open records request until all entities and/or departments have finished their respective investigations. This change will allow the citizen review board, in their advisory role, to render their advisory decision prior to the completion of concurrent investigations being conducted by the police department, office of professional standards, county district attorneys office, etc., which are currently exempt, from releasing said information before a final decision is rendered.

CONSENT DECREE FINE RECYCLING

Department: Watershed Management

Contact: Maisha Land-Wood

Summary – The Consent Decree and First Amended consent Decree provides for payment of stipulated penalties pursuant to noncompliance with terms and conditions of such decrees. The State of Georgia receives 50% of such penalties paid by the City, the balance being paid to the USEPA. This proposal asks the General Assembly to direct EPD to negotiate the use of fines for water quality projects in the impacted basins.

Requested Change – The Georgia Department of Natural Resources, Environmental Protection Division, has the authority to recommend the programming of penalty proceeds for Atlanta sponsored supplemental environmental projects.

Expenses/Fiscal Estimate – Keeps stipulated penalties (currently about \$250k to \$500k per year to EPD) within the City, to provide funding to address lower priority environmental projects.

Additional Information – The City has paid in excess of \$6,000,000 in fines relating to settling consent decree matters.

KASIM REED

Mayor
✿

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