

**OFFICIAL MINUTES OF THE OXFORD MAYOR AND COUNCIL MEETING
OXFORD CITY HALL
MONDAY, FEBRUARY 3, 2025
PUBLIC HEARING
STATEWIDE ADJUSTED BASE YEAR AD VALOREM HOMESTEAD EXEMPTION**

PRESENT: Mayor David Eady, Councilmembers Jim Windham, Mike Ready, Erik Oliver, City Attorney David Strickland, Deputy Clerk Stacey Mullen

OTHERS PRESENT: Jody Graichen, Northeast Georgia Regional Commission

The purpose of the public hearing was to obtain comments and questions regarding the City of Oxford's pending decision of whether to opt out of the statewide adjusted base ad valorem homestead exemption.

The public hearing was called to order at 6:30 pm by Mayor Eady. Mayor Eady called for written and oral comments from the public. Hearing none, he adjourned the meeting at 6:45 pm.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Stacey Mullen", is written over the typed name.

Stacey Mullen
Deputy City Clerk

**OXFORD MAYOR AND COUNCIL
PUBLIC HEARING
MONDAY, FEBRUARY 3, 2025
6:30 PM CITY HALL
110 W. Clark Street, Oxford, Georgia
A G E N D A**

**PUBLIC HEARING REGARDING THE STATEWIDE ADJUSTED BASE YEAR AD
VALOREM HOMESTEAD EXEMPTION**

The Oxford mayor and council are wishing to receive written and oral comments from residents and property owners in the city of Oxford as they consider whether to opt out of this statewide homestead exemption. To opt out, the city must conduct three public hearings, pass a resolution opting out, and file that resolution with the Secretary of State by March 1, 2025. The mayor and council are following this process to maintain the option of opting out while we receive input from our residents and property owners.

1. Call to Order, Mayor David S. Eady
 - a. *Review of House Bill 581 and what its implications may be for Oxford.
2. Questions/Public Comment
3. Adjourn.

Bill Andrew

From: Martie Kinard <MKINARD@co.newton.ga.us>
Sent: Friday, January 31, 2025 10:12 AM
To: Harold Cooper; Brittany White; Stan Edwards (District 1); Demond Mason; Stephanie Lindsey; JC Henderson; LeAnne Long; Brent Bennett; Randy Smith; Bill Andrew; Vickie Short; City of Newborn; Susan Roper; Erica Robinson; bring@mansfieldga.gov
Cc: AaVeronica Hardy; vernonbell.vb@gmail.com; Charles Berry; Marvin Maner; Kevin Mitcham; Jacquelyn Smith
Subject: IMPORTANT - 2025 Legislation Summary - specifically, HB 92 - HB581 "Clean-Up"
Importance: High
Follow Up Flag: Follow up
Flag Status: Flagged

Good morning All,

I just wanting to share and make you aware of some information that is currently going on at the State Capital. HB 92 is a "Clean-Up" bill for HB581.

Some of the key changes are:

- Possibility extending the opt-out deadline from March 1st to May 1st
- Possibility of adding a 5 acre minimum

If these changes happen, there will be delays in getting assessment notices mailed out by early to mid-April. There will be significant software changes from our state-wide vendor and there could also be delays in getting the digest to the state by September 1st.

Decisions have not been made yet, but I wanted to make you all aware.

Please feel free to share this information, as the more we are aware, the better decisions we can make as a whole for our community!

Kindly,

Mrs. Martie A. Kinard

Newton County Chief Appraiser
1113 Usher Street
Ste 102
Covington, GA 30014
770-784-2030 Main office number
678-625-1638 Direct line

2025 Legislation Summary

Click on the Bill Number to access the latest legislation

[HB 52](#)

Introduced 1/14/2025

Constitutional amendment expanding the disabled veteran's exemption to allow the unremarried surviving spouse or minor children to claim the exemption on future primary residence as long as they apply, own and occupy the residence.

HB 90

Introduced 1/16/2025

Increase the maximum acreage for CUV from 2,000 to 4,000
Requires constitution amendment
Connected to HR 32

HB 92

Introduced 1/16/2025

Extends HB 581 opt-out period from March 1 to May 1

HB 129

Introduced 1/27/2025

Amends 48-5-7.4 to allow leasing of conservation use property to the following entities:

Corporation, partnership, general partnership, limited partnership, limited corporation, or limited liability corporation registered with the Secretary of State that meets the following conditions:

- Ownership must be a natural citizen
- Primary purpose of the entity must be the production of agriculture or timber
- 80% of gross income of the entity must be derived from conservation use
- At least one of the entity members must hold at least a 25% interest in the property being leased.

HB 142

Introduced 1/29/2025

Amends 48-5-7.2 to allow rehabilitated historic property to continue CUV of an income producing for an additional 12 years

HB 169

Introduced 1/29/2025

Amends 48-5-7.4 to only allow solar farms on cuv property if they were in place prior to July 1, 2025 and placing a sunset on having solar farms on cuv property through July 1, 2035

HR 32

Introduced 1/16/2025

Constitution amendment to increase the maximum acreage for CUV from 2,000 to 4,000
Connected to HB 90

SB 24

Introduced 1/17/2025

Amends 48-5-7.2 to allow rehabilitated historic property to continue CUV of an income producing for an additional 12 years

SB 43

Introduced 1/29/2025

Constitution amendment to increase the maximum acreage for CUV from 2,000 to 6,000

SB 45

Introduced 1/29/2025

Constitution amendment to increase the maximum acreage for CUV from 2,000 to 4,000

SB 52

Introduced 1/29/2025

"Timberlands Recovery, Exemption, and Earnings Stability (TREES) Act."

Authorize certain local governing authorities to provide temporary tax relief from the taxes levied for the harvest or sale of standing timber in certain disaster areas; to provide for conditions and procedures; to provide for grants to such local governing authorities to offset the loss of certain revenues resulting from certain disaster damage to standing timber and such temporary tax relief; to provide for an appropriations contingency; to provide for a grant cap; to provide for the calculation of equalized adjusted property tax digests.

SB 59

Introduced 1/29/2025

Amends 48-5-7.4 to allow leasing of conservation use property to the following entities:

Corporation, partnership, general partnership, limited partnership, limited corporation, or limited liability corporation registered with the Secretary of State that meets the following conditions:

- Ownership must be a natural citizen
- Primary purpose of the entity must be the production of agriculture or timber
- 80% of gross income of the entity must be derived from conservation use
- At least one of the entity members must hold at least a 25% interest in the property being leased.

SR 55

Introduced 1/29/2025

Constitution amendment to increase the maximum acreage for CUV from 2,000 to 6,000

SR 56

Introduced 1/29/2025

Constitution amendment to increase the maximum acreage for CUV from 2,000 to 4,000

House Bill 581 (AS PASSED HOUSE AND SENATE)

By: Representatives Blackmon of the 146th and Crowe of the 118th

A BILL TO BE ENTITLED

AN ACT

1 To amend Title 48 of the Official Code of Georgia Annotated, relating to revenue and
2 taxation, so as to provide requirements for ad valorem property tax bills; to provide for
3 definitions; to provide for minimum mandatory reappraisal of parcels; to provide that county
4 boards of tax assessors shall have the right to appeal concerning sales ratio studies under
5 certain conditions; to revise the limitation on increasing new valuations established through
6 appeals or agreements; to revise the required contents of annual notices of assessment; to
7 revise requirements for notices of current assessment; to provide for a statewide adjusted
8 base year ad valorem homestead exemption and provide procedures for opting out of such
9 homestead exemption at the local level; to revise provisions for the maximum allowable sales
10 and use tax rate; to authorize a new local option sales tax for the purpose of property tax
11 relief in those political subdivisions that have in effect a base year value or adjusted base year
12 value homestead exemption; to provide for authorization of tax and applicability; to provide
13 for local authorization and referenda; to provide for imposition and termination of tax; to
14 provide for administration and collection of tax; to provide for returns; to provide for
15 distribution of tax proceeds; to provide for an effective date, applicability, and a contingent,
16 automatic repeal; to provide for related matters; to repeal conflicting laws; and for other
17 purposes.

H. B. 581

- 1 -

18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

19 **PART I**
20 **SECTION 1-1.**

21 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is
22 amended in Code Section 48-5-2, relating to definitions, by revising the introductory
23 language of paragraph (3) and by adding a new paragraph to read as follows:

24 "(2.1) 'Estimated roll-back rate' means the current year's estimated millage rate minus the
25 millage equivalent of the total net assessed value added by reassessments:

26 (A) As calculated and certified to the tax commissioner by the levying authority for
27 county and educational tax purposes; and

28 (B) As calculated and certified to the collecting officer of the municipality by the
29 levying authority for municipal tax purposes.

30 (3) 'Fair market value of property' means the amount a knowledgeable buyer would pay
31 for the property and a willing seller would accept for the property at an arm's length, bona
32 fide sale. The income approach, if data are available, shall be considered in determining
33 the fair market value of income-producing property. If actual income and expense data
34 are voluntarily supplied by the property owner, such data shall be considered in such
35 determination. ~~Notwithstanding any other provision of this chapter to the contrary, the~~
36 ~~transaction amount of the most recent arm's length, bona fide sale in any year shall be the~~
37 ~~maximum allowable fair market value for the next taxable year.~~ With respect to the
38 valuation of equipment, machinery, and fixtures when no ready market exists for the sale
39 of the equipment, machinery, and fixtures, fair market value may be determined by
40 resorting to any reasonable, relevant, and useful information available, including, but not
41 limited to, the original cost of the property, any depreciation or obsolescence, and any

42 increase in value by reason of inflation. Each tax assessor shall have access to any public
43 records of the taxpayer for the purpose of discovering such information."

44 **SECTION 1-2.**

45 Said title is further amended by adding a new Code section to read as follows:

46 "48-5-34.

47 (a) In addition to any other requirements provided by law, the ad valorem property tax bill
48 form shall be prepared annually by the county tax commissioner or collector and furnished
49 to each taxpayer who owes state, county, or county school tax for the current tax year. The
50 form shall provide the total amount of such taxes levied on property owned by the
51 taxpayer, the amount of property tax credit granted by Act of the 1973 Session of Georgia's
52 General Assembly, and the net amount of such taxes due for the current tax year.

53 (b) In addition to the requirements of subsection (a) of this Code section, regarding any
54 ad valorem property tax bill where the millage rate adopted by a tax authority exceeds the
55 estimated roll-back rate, such tax bill shall include a notice containing the name of such
56 taxing authority and the following statement in bold print:

57 'The adopted millage rate exceeds the estimated roll-back rate as stated in the annual
58 notice of assessment that you previously received for this taxable year, which will
59 result in an increase in the amount of property tax that you will owe.'

60 **SECTION 1-3.**

61 Said title is further amended in Code Section 48-5-264, relating to designation and duties of
62 chief appraiser, by adding a new subsection to read as follows:

63 "(d) The chief appraiser shall ensure that every parcel in his or her respective county is
64 appraised at least every three years."

65 **SECTION 1-4.**

66 Said title is further amended in Code Section 48-5-274, relating to the establishment of
67 equalized adjusted property tax digest, establishment and use of average ratio, information
68 to be furnished by state auditor, grievance procedure, and information to be furnished by
69 commissioner, by revising paragraph (1) of subsection (f) as follows:

70 "(f)(1) Each county governing authority, each governing authority of a municipality
71 having an independent school system, ~~and each local board of education, and each county~~
72 board of tax assessors, when aggrieved or when having an aggrieved constituent, shall
73 have a right, upon written request made within 30 days after receipt of the digest
74 information, to refer the question of correctness of the current equalized adjusted property
75 tax digest of the local school system to the state auditor. The state auditor shall take any
76 steps necessary to make a determination of the correctness of the digest and to notify all
77 interested parties of the determination within 45 days after receiving the request
78 questioning the correctness of the digest."

79 **SECTION 1-5.**

80 Said title is further amended in Code Section 48-5-299, relating to ascertainment of taxable
81 property, assessments against unreturned personal property, penalty for unreturned property,
82 and changing real property values established by appeal in prior year or stipulated by
83 agreement, by revising subsection (c) as follows:

84 "(c) When the value of real property is reduced ~~or is unchanged~~ from the value on the
85 initial annual notice of assessment or a corrected annual notice of assessment issued by the
86 board of tax assessors and such reduced valuation has been established as the result of an
87 appeal decision rendered by the board of equalization, hearing officer, arbitrator, or
88 superior court pursuant to Code Section 48-5-311 or stipulated by written agreement signed
89 by the board of tax assessors and taxpayer or taxpayer's authorized representative, the new
90 valuation so established by appeal decision or agreement may not be increased by the board

91 of tax assessors during the next two successive years, unless otherwise agreed in writing
92 by both parties, subject to the following exceptions:

93 (1) This subsection shall not apply to a valuation established by an appeal decision if the
94 taxpayer or his or her authorized representative failed to attend the appeal hearing or
95 provide the board of equalization, hearing officer, or arbitrator with some written
96 evidence supporting the taxpayer's opinion of value;

97 (2) This subsection shall not apply to a valuation established by an appeal decision or
98 agreement if the taxpayer files a return at a different valuation during the next two
99 successive years;

100 (3) Unless otherwise agreed in writing by both parties, if the taxpayer files an appeal
101 pursuant to Code Section 48-5-311 during the next two successive years, the board of tax
102 assessors, the board of equalization, hearing officer, or arbitrator may increase or
103 decrease the value of the real property based on the evidence presented by the taxpayer
104 during the appeal process; and

105 (4) The board of tax assessors may increase or decrease the value of the real property if,
106 after a visual on-site inspection of the property, it is found that there have been substantial
107 additions, deletions, or improvements to such property or that there are errors in the board
108 of tax assessors' records as to the description or characterization of the property, or the
109 board of tax assessors finds an occurrence of other material factors that substantially
110 affect the current fair market value of such property."

111 **SECTION 1-6.**

112 Said title is further amended in Code Section 48-5-306, relating to annual notice of current
113 assessment, contents, posting notice, and new assessment description, by revising paragraphs
114 (1) and (2) of subsection (b) as follows:

115 "(1) The annual notice of current assessment required to be given by the county board of
116 tax assessors under subsection (a) of this Code section shall be dated and shall contain

117 the name and last known address of the taxpayer. The annual notice shall conform with
 118 the state-wide uniform assessment notice which shall be established by the commissioner
 119 by rule and regulation and shall contain:

120 (A) The amount of the previous assessment;

121 (B) The amount of the current assessment;

122 (C) The year for which the new assessment is applicable;

123 (D) A brief description of the assessed property broken down into real and personal
 124 property classifications;

125 (E) The fair market value of property of the taxpayer subject to taxation and the
 126 assessed value of the taxpayer's property subject to taxation after being reduced;

127 (F) The name, phone number, and contact information of the person in the assessors'
 128 office who is administratively responsible for the handling of the appeal and who the
 129 taxpayer may contact if the taxpayer has questions about the reasons for the assessment
 130 change or the appeals process;

131 (G) If available, the website address of the office of the county board of tax assessors;
 132 ~~and~~

133 (H) A statement that all documents and records used to determine the current value are
 134 available upon request; and

135 (I) The current year's estimated roll-back rate.

136 (2)(A) In addition to the items required under paragraph (1) of this subsection, the notice
 137 shall contain a statement of the taxpayer's right to an appeal ~~and an estimate of the~~
 138 ~~current year's taxes for all levying authorities~~ which shall be in substantially the
 139 following form:

140 'The amount of your ad valorem tax bill for this year will be based on the appraised and
 141 assessed values specified in this notice. You have the right to appeal these values to the
 142 county board of tax assessors. At the time of filing your appeal you must select one of the
 143 following options:

- 144 ~~(i)(A)~~ An appeal to the county board of equalization with appeal to the superior court;
- 145 ~~(ii)(B)~~ To arbitration without an appeal to the superior court; or
- 146 ~~(iii)(C)~~ For a parcel of nonhomestead property with a fair market value in excess of
- 147 \$500,000.00 as shown on the taxpayer's annual notice of current assessment under this
- 148 Code section, or for one or more account numbers of wireless property as defined in
- 149 subparagraph (e.1)(1)(B) of Code Section 48-5-311 with an aggregate fair market value
- 150 in excess of \$500,000.00 as shown on the taxpayer's annual notice of current
- 151 assessment under this Code section, to a hearing officer with appeal to the superior
- 152 court.

153 If you wish to file an appeal, you must do so in writing no later than 45 days after the date

154 of this notice. If you do not file an appeal by this date, your right to file an appeal will be

155 lost. For further information on the proper method for filing an appeal, you may contact

156 the county board of tax assessors which is located at: (insert address) and which may be

157 contacted by telephone at: (insert telephone number).'

158 ~~(B) The notice shall also contain the following statements in bold print:~~

159 ~~'The estimate of your ad valorem tax bill for the current year is based on the previous~~

160 ~~or most applicable year's millage rate and the fair market value contained in this~~

161 ~~notice. The actual tax bill you receive may be more or less than this estimate. This~~

162 ~~estimate may not include all eligible exemptions.'~~

163 **SECTION 1-7.**

164 Said title is further amended in Code Section 48-5-311, relating to creation of county boards

165 of equalization, duties, review of assessments, and appeals, by revising paragraph (2) of

166 subsection (g) as follows:

167 "(2) An appeal by the taxpayer as provided in paragraph (1) of this subsection shall be

168 effected by emailing, if the county board of tax assessors has adopted a written policy

169 consenting to electronic service, or by mailing to or filing with the county board of tax

170 assessors a written petition for review. An appeal by the county board of tax assessors
171 shall be effected by giving a petition for review to the taxpayer. The petition for review
172 given to the taxpayer shall be dated and shall contain the name and the last known
173 address of the taxpayer. The petition for review shall specifically state the grounds for
174 appeal. The petition for review shall be mailed or filed within 30 days from the date on
175 which the decision of the county board of equalization, hearing officer, or arbitrator is
176 delivered pursuant to subparagraph (e)(6)(D), paragraph (7) of subsection (e.1), or
177 division (f)(3)(C)(ix) of this Code section. Within 45 days of receipt of a taxpayer's
178 petition for review and before the petition for review is filed in superior court, the county
179 board of tax assessors shall send to the taxpayer notice that a settlement conference, in
180 which the county board of tax assessors and the taxpayer shall confer in good faith, will
181 be held at a specified date and time which shall be no later than 30 days from the notice
182 of the settlement conference, and notice of the amount of the filing fee for a petition for
183 review, if any, required by the clerk of the superior court. A taxpayer may appear for the
184 settlement conference in person, by his or her authorized agent or representative, or both.
185 The county board of tax assessors, in their discretion and with the consent of the
186 taxpayer, may alternatively conduct the settlement conference by audio or video
187 teleconference or any other remote communication medium. The taxpayer may exercise
188 a one-time option to reschedule the settlement conference to a different date and time
189 acceptable to the taxpayer during normal business hours. After a settlement conference
190 has convened, the parties may agree to continue the settlement conference to a later date.
191 If at the end of the 45 day review period the county board of tax assessors elects not to
192 hold a settlement conference, then the appeal shall terminate and the taxpayer's stated
193 value shall be entered in the records of the board of tax assessors as the fair market value
194 for the year under appeal and the provisions of subsection (c) of Code Section 48-5-299
195 shall apply to such value. ~~If the taxpayer chooses not to participate in the settlement~~
196 ~~conference, he or she may not seek and shall not be awarded fees and costs at such time~~

197 ~~when the petition for review is reviewed in superior court. If neither the taxpayer nor his~~
198 ~~or her authorized agent or representative attends a properly scheduled settlement~~
199 ~~conference or fails to confer with the board of tax assessors in good faith on the matter,~~
200 ~~then such taxpayer shall not receive the benefits of any temporary reduction in the~~
201 ~~amount of taxes due pending the outcome of the appeal and shall not be awarded~~
202 ~~attorney's fees or costs of litigation in connection with the appeal to the superior court.~~
203 If at the conclusion of the settlement conference the parties reach an agreement, the
204 settlement value shall be entered in the records of the county board of tax assessors as the
205 fair market value for the tax year under appeal and the provisions of subsection (c) of
206 Code Section 48-5-299 shall apply to such value. If at the conclusion of the settlement
207 conference the parties cannot reach an agreement, then written notice shall be provided
208 to the taxpayer that the filing fees for the superior court must be paid by the taxpayer by
209 submitting to the county board of tax assessors a check, money order, or any other
210 instrument payable to the clerk of the superior court within 20 days of the date of the
211 conference. Notwithstanding any other provision of law to the contrary, the amount of
212 the filing fee for an appeal under this subsection shall be \$25.00. An appeal under this
213 subsection shall not be subject to any other fees or additional costs otherwise required
214 under any provision of Title 15 or under any other provision of law. Within 30 days of
215 receipt of the taxpayer's payment made out to the clerk of the superior court, or, in the
216 case of a petition for review filed by the county board of tax assessors, within 30 days of
217 giving notice of the petition for review to the taxpayer, the county board of tax assessors
218 shall file with the clerk of the superior court the petition for review and any other papers
219 specified by the person appealing, including, but not limited to, the staff information from
220 the file used by the county board of tax assessors, the county board of equalization, the
221 hearing officer, or the arbitrator. Immediately following payment of such \$25.00 filing
222 fee to the clerk of the superior court, the clerk shall remit the proceeds thereof to the
223 governing authority of the county which shall deposit the proceeds into the general fund

224 of the county. All papers and information filed with the clerk shall become a part of the
225 record on appeal to the superior court. At the time of the filing of the petition for review,
226 the county board of tax assessors shall serve the taxpayer and his or her attorney of
227 record, if any, with a copy of the petition for review filed in the superior court and with
228 the civil action file number assigned to the appeal. Such service shall be effected in
229 accordance with subsection (b) of Code Section 9-11-5. No discovery, motions, or other
230 pleadings may be filed by the county board of tax assessors in the appeal until such
231 service has been made."

232 **PART II**
233 **SECTION 2-1.**

234 Said title is further amended by adding a new Code section to read as follows:

235 "48-5-44.2.

236 (a) For purposes of this Code section, the term:

237 (1) 'Ad valorem taxes' means all ad valorem taxes levied by, for, or on behalf of the state
238 or any county, consolidated government, municipality, or local school district in this
239 state, except for any ad valorem taxes levied to pay interest on and to retire bonded
240 indebtedness.

241 (2) 'Adjusted base year assessed value' means the sum of:

242 (A) The previous adjusted base year assessed value;

243 (B) An amount equal to the difference between the current year assessed value of the
244 homestead and the base year assessed value of the homestead, provided that such
245 amount shall not exceed the total of the previous adjusted base year assessed value of
246 the homestead multiplied by the inflation rate for the prior year; and

247 (C) The value of any substantial property change, provided that no such value added
248 improvements to the homestead shall be duplicated as to the same addition or
249 improvement.

250 (3) 'Base year assessed value' means:

251 (A) With respect to an exemption under this Code section which is first granted to a
252 person on such person's homestead for the 2025 taxable year, the assessed value for
253 taxable year 2024, including any final determination of value on appeal pursuant to
254 Code Section 48-5-311, of the homestead; or

255 (B) In all other cases, the assessed value, including any final determination of value on
256 appeal pursuant to Code Section 48-5-311, of the homestead from the taxable year
257 immediately preceding the taxable year in which the exemption under this Code section
258 is first granted to the applicant.

259 (4) 'Homestead' means homestead as defined and qualified in Code Section 48-5-40.

260 (5) 'Inflation rate' means the annual inflationary index rate as determined for a given year
261 by the commissioner in accordance with subsection (g) of this Code section.

262 (6) 'Previous adjusted base year assessed value' means:

263 (A) With respect to the year for which the exemption under this Code section is first
264 granted to a person on such person's homestead, the base year assessed value; or

265 (B) In all other cases, the adjusted base year assessed value of the homestead as
266 calculated in the taxable year immediately preceding the current year, including any
267 final determination of value on appeal pursuant to Code Section 48-5-311.

268 (7) 'Substantial property change' means any increase or decrease in the assessed value
269 of a homestead derived from additions or improvements to, or the removal of real
270 property from, the homestead which occurred after the year in which the base year
271 assessed value is determined for the homestead. The assessed value of the substantial
272 property changes shall be established following any final determination of value on
273 appeal pursuant to Code Section 48-5-311.

274 (b)(1) Subject to the limitations provided in this Code section, each resident of this state
275 is granted an exemption on that person's homestead from ad valorem taxes in an amount
276 equal to the amount by which the current year assessed value of that homestead,
277 including any final determination of value on appeal pursuant to Code Section 48-5-311,
278 exceeds its previous adjusted base year assessed value.

279 (2) Except as provided for in subsection (c) of this Code section, no exemption provided
280 for in this subsection shall transfer to any subsequent owner of the property, and the
281 assessed value of the property shall be as provided by law.

282 (c) The surviving spouse of the person who has been granted the exemption provided for
283 in subsection (b) of this Code section shall continue to receive the exemption provided
284 under subsection (b) of this Code section, so long as such surviving spouse continues to
285 occupy the residence as a homestead.

286 (d) No person shall receive the exemption granted by subsection (b) of this Code section
287 unless such person or person's agent files an application with the tax receiver or tax
288 commissioner of his or her respective local government or governments charged with the
289 duty of receiving returns of property for taxation giving such information relative to
290 receiving such exemption as will enable such tax receiver or tax commissioner to
291 make a determination regarding the initial and continuing eligibility of such person for
292 such exemption; provided, however, that any person who had previously applied for
293 a homestead exemption, was allowed such homestead exemption for the 2024 tax year, and
294 remains eligible for a homestead exemption for that same homestead property in the 2025
295 tax year shall be automatically allowed the exemption granted under subsection (b) of this
296 Code section for that homestead without further application. Such tax receiver or tax
297 commissioner shall provide application forms for this purpose.

298 (e) The exemption granted by subsection (b) of this Code section shall be claimed and
299 returned as provided in Code Section 48-5-50.1. Such exemption shall be automatically
300 renewed from year to year so long as the owner occupies the residence as a homestead.

301 After a person or a person's agent has filed the proper application or is automatically
302 granted the homestead exemption as provided in subsection (d) of this Code section, it shall
303 not be necessary to make application thereafter for any year, and the exemption shall
304 continue to be allowed to such person. It shall be the duty of any person granted the
305 homestead exemption under subsection (b) of this Code section to notify the tax receiver
306 or tax commissioner of the local government or governments in the event such person for
307 any reason becomes ineligible for such exemption.

308 (f)(1) Except as otherwise provided in paragraph (2) of this subsection, the homestead
309 exemption granted by subsection (b) of this Code section shall be in addition to and not
310 in lieu of any other homestead exemption applicable to ad valorem taxes.

311 (2) The homestead exemption granted by subsection (b) of this Code section shall not
312 be applied in addition to any other base year value homestead exemption provided by law
313 with respect to the given taxing jurisdiction to which the such law applies. In any such
314 event, the tax receiver or tax commissioner of the taxpayer's respective local government
315 or governments charged with the duty of receiving returns of property for taxation shall
316 apply only the base year value homestead exemption that is larger or more beneficial for
317 the taxpayer with respect to the particular taxing jurisdictions to which more than one
318 base year value homestead exemption applies.

319 (g) For the purposes of this Code section, the commissioner shall promulgate a
320 standardized method for determining annual inflationary index rates which reflect the
321 effects of inflation and deflation on the cost of living for residents of this state for a given
322 calendar year. Such method may utilize the Consumer Price Index as reported by the
323 Bureau of Labor Statistics of the United States Department of Labor or any other similar
324 index established by the federal government if the commissioner determines that such
325 federal index fairly reflects the effects of inflation and deflation on residents of this state.

326 (h) The exemption granted by subsection (b) of this Code section shall apply to all taxable
327 years beginning on or after January 1, 2025, provided that:

328 (1) A constitutional amendment is ratified and becomes effective on January 1, 2025,
 329 which authorizes the General Assembly to provide by general law for a homestead
 330 exemption that shall not be applicable to certain political subdivisions, which elect to opt
 331 out of the homestead exemption by a date certain; and

332 (2) The exemption granted by subsection (b) of this Code section shall not be
 333 applicable for any county, consolidated government, municipality, or school district for
 334 which the governing authority of such political subdivision adopts an opt-out
 335 resolution in accordance with subsection (i) of this Code section.

336 (i) The governing authority of any county, consolidated government, municipality, or
 337 school district may elect to opt out of the homestead exemption otherwise granted by
 338 subsection (b) of this Code section with respect to such political subdivision through the
 339 adoption of a resolution to do the same by March 1, 2025, after completing the
 340 following steps:

341 (1) The governing authority shall advertise its intent to do so and shall conduct at least
 342 three public hearings thereon, at least one of which shall commence between the hours
 343 of 6:00 P.M. and 7:00 P.M., inclusive, on a business weekday. The governing authority
 344 shall place an advertisement in a newspaper of general circulation serving the residents
 345 of the political subdivision and post such advertisement on its website, which shall read
 346 as follows:

347 'INTENT TO OPT OUT OF HOMESTEAD EXEMPTION

348 The (name of governing authority) intends to opt out of the statewide adjusted base year
 349 ad valorem homestead exemption for (name of the political subdivision).

350 All concerned citizens are invited to the public hearing on this matter to be held at
 351 (place of meeting) on (date and time).

352 Times and places of additional public hearings on this matter are at (place of
 353 meeting) on (date and time).'

354 Simultaneously with this notice the governing authority shall provide a press release to the
355 local media.

356 (2) The advertisement required by paragraph (1) of this subsection shall appear at least
357 one week prior to each hearing, be prominently displayed, be not less than 30 square
358 inches, and not be placed in that section of the newspaper where legal notices appear and
359 shall be posted on the appropriate website at least one week prior to each hearing. In
360 addition to the advertisement specified under this paragraph, the levying or
361 recommending authority may include in the notice reasons or explanations for its
362 intention to opt out of the homestead exemption.

363 (3) No resolution to opt out of the homestead exemption shall become effective with
364 respect to a political subdivision unless the procedures and hearings required by this
365 subsection are completed and a copy of such resolution is filed with the Secretary of State
366 by March 1, 2025."

367 **PART III**
368 **SECTION 3-1.**

369 Said title is further amended in Code Section 48-8-6, relating to prohibition of political
370 subdivisions from imposing various taxes, ceiling on local sales and use taxes, and taxation
371 of mobile telecommunications, by revising subsection (a) as follows:

372 "48-8-6.

373 ~~(a) There shall not be imposed in any jurisdiction in this state or on any transaction in this~~
374 ~~state local sales taxes, local use taxes, or local sales and use taxes in excess of 2 percent.~~
375 ~~For purposes of this prohibition, the taxes affected are any sales tax, use tax, or sales and~~
376 ~~use tax which is levied in an area consisting of less than the entire state, however~~
377 ~~authorized, including such taxes authorized by or pursuant to constitutional amendment,~~

378 ~~except that the following taxes shall not count toward or be subject to such 2 percent~~
379 ~~limitation:~~

380 ~~(1) A sales and use tax for educational purposes exempted from such limitation under~~
381 ~~Article VIII, Section VI, Paragraph IV of the Constitution;~~

382 ~~(2) Any tax levied for purposes of a metropolitan area system of public transportation,~~
383 ~~as authorized by the amendment to the Constitution set out at Georgia Laws, 1964, page~~
384 ~~1008; the continuation of such amendment under Article XI, Section I, Paragraph IV(d)~~
385 ~~of the Constitution; and the laws enacted pursuant to such constitutional amendment;~~
386 ~~provided, however, that the exception provided for under this paragraph shall only apply:~~

387 ~~(A) In a county in which a tax is being imposed under subparagraph (a)(1)(D) of Code~~
388 ~~Section 48-8-111 in whole or in part for the purpose or purposes of a water capital~~
389 ~~outlay project or projects, a sewer capital outlay project or projects, a water and sewer~~
390 ~~capital outlay project or projects, water and sewer projects and costs as defined under~~
391 ~~paragraph (4) of Code Section 48-8-200, or any combination thereof and with respect~~
392 ~~to which the county has entered into an intergovernmental contract with a municipality,~~
393 ~~in which the average waste-water system flow of such municipality is not less than 85~~
394 ~~million gallons per day, allocating proceeds to such municipality to be used solely for~~
395 ~~water and sewer projects and costs as defined under paragraph (4) of Code Section~~
396 ~~48-8-200. The exception provided for under this subparagraph shall apply only during~~
397 ~~the period the tax under such subparagraph (a)(1)(D) is in effect. The exception~~
398 ~~provided for under this subparagraph shall not apply in any county in which a tax is~~
399 ~~being imposed under Article 2A of this chapter;~~

400 ~~(B) In a county in which the tax levied for purposes of a metropolitan area system of~~
401 ~~public transportation is first levied after January 1, 2010, and before January 1, 2021.~~
402 ~~Such tax shall not apply to the following:~~

403 ~~(i) The sale or use of jet fuel; and~~

404 ~~(ii) The sale of motor vehicles; or~~

405 ~~(C) In a county in which a tax is levied and collected pursuant to Part 2 of Article 2A~~
406 ~~of this chapter;~~

407 ~~(3) In the event of a rate increase imposed pursuant to Code Section 48-8-96, only the~~
408 ~~amount in excess of the initial 1 percent sales and use tax and in the event of a newly~~
409 ~~imposed tax pursuant to Code Section 48-8-96, only the amount in excess of a 1 percent~~
410 ~~sales and use tax;~~

411 ~~(4) A sales and use tax levied under Article 4 of this chapter;~~

412 ~~(5) Either a sales and use tax levied under Article 5 of this chapter or a sales and use tax~~
413 ~~levied under Article 5B of this chapter;~~

414 ~~(6) A sales and use tax levied under Article 5A of this chapter;~~

415 ~~(7) A sales and use tax levied under Article 2 of Chapter 9 of Title 32; and~~

416 ~~(8) A sales and use tax levied under Part 3 of Article 3 of this chapter.~~

417 ~~If the imposition of any otherwise authorized local sales tax, local use tax, or local sales~~
418 ~~and use tax would result in a tax rate in excess of that authorized by this subsection, then~~
419 ~~such otherwise authorized tax may not be imposed.~~

420 (a)(1) Except as provided in this subsection, on and after July 1, 2024, there shall not be
421 imposed in any jurisdiction in this state or on any transaction in this state local sales
422 taxes, local use taxes, or local sales and use taxes in excess of 2 percent. For purposes
423 of this 2 percent limitation, the taxes affected are any sales tax, use tax, or sales and use
424 tax which is levied in an area consisting of less than the entire state, however authorized,
425 including such taxes authorized by or pursuant to constitutional amendment, and
426 regardless of whether another provision of law purports to the contrary, except for the
427 following:

428 (A) A 1 percent sales and use tax for educational purposes exempted from such
429 limitation under Article VIII, Section VI, Paragraph IV of the Constitution;

430 (B) Up to 1 percent in aggregate of any of the transportation related sales and use taxes
431 authorized under Articles 5, 5A, and 5B of this chapter and Article 2 of Chapter 9 of
432 Title 32; and

433 (C) Up to 1 percent in aggregate of any sales and use taxes authorized under Code
434 Section 48-8-96, Code Section 48-8-97, Article 2B of this chapter, Part 3 of Article 3
435 of this chapter, and Article 4 of this chapter.

436 (2) Notwithstanding any provision of law to the contrary, any tax that does not comply
437 with the limitations provided in paragraph (1) of this subsection as of July 1, 2025, but
438 was initiated in compliance with the law in effect prior to January 1, 2025, shall be
439 allowed to continue as authorized under laws that existed prior to July 1, 2025;
440 provided, however, that upon the expiration or termination of any such tax, such tax shall
441 not be renewed and the jurisdiction that levied such tax shall be fully subject to the
442 limitations imposed by this subsection.

443 (3) This subsection shall not limit the imposition of any local excise tax, which is
444 separately authorized under Chapter 13 of this title.

445 (4) Except as provided in paragraph (2) of this subsection, if the imposition of any
446 otherwise authorized local sales tax, local use tax, or local sales and use tax would result
447 in a tax rate in excess of that authorized by this subsection, then such otherwise
448 authorized tax shall not be imposed."

449 **SECTION 3-2.**

450 Said title is further amended in Chapter 8, relating to sales and use taxes, by adding a new
451 article to read as follows:

"Article 2B

452 48-8-109.30.

453 (a) Pursuant to the authority granted by Article IX, Section II, Paragraph VI of the
454 Constitution of this state, there are created within this state 159 special districts. The
455 geographical boundaries of each county shall correspond with and shall be conterminous
456 with the geographical boundaries of the 159 special districts.

457 (b) The territory of each special district shall include all of the territory within the county
458 including all municipalities, to the extent the municipal boundaries lie within the
459 geographical boundaries of the county and any consolidated government.

460 48-8-109.31.

461 (a) Subject to the requirement of approval by local referendum and the other requirements
462 of this article, to impose within any given special district a special sales and use tax for a
463 limited period of time for the limited purpose of property tax relief.

464 (b) Except as to rate, a tax imposed under this part shall correspond to the tax imposed by
465 Article 1 of this chapter. No item or transaction which is not subject to taxation under
466 Article 1 of this chapter shall be subject to a tax imposed under this article, except that a
467 tax imposed under this article shall apply to sales of motor fuels as prepaid local tax as
468 defined in Code Section 48-8-2 and shall be applicable to the sale of food and food
469 ingredients and alcoholic beverages as provided for in Code Section 48-8-3.

470 (c) The special sales and use tax provided for in subsection (a) of this Code section may
471 be imposed by a special district in 0.05 percent increments, but in no event shall such tax
472 exceed 1 percent in total. The levy of such tax upon sales of motor fuels as defined in Code
473 Section 48-9-2 shall only be imposed on the retail sales price of the motor fuel which is not
474 more than \$3.00 per gallon.

475 (d)(1) As a condition precedent to the issuance of the call for the referendum:

477 (A) The governing authority of the county whose geographical boundary is
478 conterminous with that of the special district and the governing authority or authorities
479 of all municipalities that levy an ad valorem tax on property, other than those
480 municipalities that are excluded from the special district pursuant to paragraph (3) of
481 this subsection, shall have in effect a base year value or adjusted base year value
482 homestead exemption; and

483 (B) The governing authority of the county whose geographical boundary is
484 conterminous with that of the special district and the governing authority or authorities,
485 if any, that represent at least 50 percent of the special district's residents of
486 municipalities that levy an ad valorem tax on property, other than those municipalities
487 that are excluded from the special district pursuant to paragraph (3) of this subsection,
488 shall enter into an intergovernmental agreement calling for the tax authorized under this
489 article and specifying the proposed rate of the tax, the proposed maximum period of
490 time that the tax is to be levied, and the proposed distribution of the tax.

491 (2) If the combined total of the populations of all such absent municipalities is less than
492 one-half of the aggregate population of all municipalities located within the special
493 district that levy an ad valorem tax on property, the political subdivisions entering into
494 the intergovernmental agreement shall, on behalf of such absent municipalities, specify
495 a percentage of that portion of the remaining proceeds which each municipality that
496 levies an ad valorem tax on property shall receive, which percentage shall not be less than
497 that proportion which each such absent municipality's population bears to the total
498 population of all municipalities that levy ad valorem taxes on property within the special
499 district multiplied by that portion of the remaining proceeds which are received by all
500 such municipalities within the special district. No portion of the tax shall be apportioned
501 to counties and municipalities that do not levy an ad valorem tax on property or do not
502 have a base year value or adjusted base year value homestead exemption in effect.

503 (3) Subject to the limitation provided for in Code Section 48-8-6, any special district
504 which wholly or partially contains a jurisdiction levying the tax provided for under
505 Article 4 of this chapter is authorized to levy the tax authorized under this article. Such
506 tax authorized under this article may only be levied in the areas of the special district
507 outside of the jurisdiction levying the tax provided for under Article 4 of this chapter.
508 Any jurisdiction levying the tax provided for under Article 4 of this chapter shall not be
509 considered within the procedure necessary to levy the tax under this article and shall not
510 be entitled to any portion of said tax.

511 48-8-109.32.

512 (a) The intergovernmental agreement required by this article shall specify the maximum
513 period of time of the tax, to be stated in calendar years or calendar quarters not to exceed
514 five years in total.

515 (b) Each such intergovernmental agreement shall prescribe that the county election
516 superintendent shall issue the call for an election for the purpose of submitting the question
517 of the imposition of the tax authorized by this article to the voters of the county. The call
518 for and conduct of any such election shall be in the manner authorized under Code Section
519 21-2-540, on a date specified by the intergovernmental agreement from among the dates
520 allowed under paragraph (2) of subsection (c) of Code Section 21-2-540. Such election
521 superintendent shall cause the date and purpose of the election to be published once a
522 week for four weeks immediately preceding the date of the election in the legal organ of
523 the county or in a newspaper having general circulation in the county at least equal to that
524 of the legal organ.

525 (c) The exact ballot language shall be prescribed in the intergovernmental agreement
526 which imposes the tax authorized by this article, but shall contain, at a minimum, the
527 purpose of the tax, the rate of the tax, and the duration for which the tax shall be imposed.

528 (d) All persons desiring to vote in favor of imposing the tax shall vote 'Yes' and all persons
529 opposed to levying the tax shall vote 'No.' If more than one-half of the votes cast are in
530 favor of imposing the tax, then the tax shall be imposed as provided in this article;
531 otherwise, the tax shall not be imposed and the question of imposing the tax shall not again
532 be submitted to the voters of the special district until after 12 months immediately
533 following the month in which the election was held; provided, however, that, if an election
534 date authorized under paragraph (2) of subsection (c) of Code Section 21-2-540 occurs
535 during the twelfth month immediately following the month in which such election was
536 held, the question of imposing the tax may be submitted to the voters of the special district
537 on such date. The county election superintendent shall hold and conduct the election under
538 the same rules and regulations as govern special elections. Such election superintendent
539 shall canvass the returns, declare the result of the election, and certify the result to the
540 Secretary of State and to the commissioner. The expense of the election shall be paid from
541 county funds.

542 48-8-109.33.

543 (a)(1) If the imposition of the tax is approved by referendum, the tax shall be imposed
544 on the first day of the next succeeding calendar quarter which begins more than 50 days
545 after the date of the election at which the tax was approved by the voters.

546 (2) With respect to services that are regularly billed on a monthly basis, however, the
547 resolution or ordinance imposing the tax shall become effective and the tax shall apply
548 to the first regular billing period coinciding with or following the effective date specified
549 in paragraph (1) of this subsection. A certified copy of the ordinance or resolution
550 imposing the tax shall be forwarded to the commissioner to ensure it is received within
551 five business days after certification of the election results.

552 (b) The tax shall cease to be imposed on the final day of the maximum period of time
553 specified for the imposition of the tax.

554 (c) For any special district in which a tax authorized by this article is in effect may, while
555 such tax is in effect, the General Assembly may pass a local Act calling for a reimposition
556 of a tax as authorized by this article upon the termination of the tax then in effect, and a
557 referendum may be held for this purpose while the tax is in effect. Proceedings for such
558 reimposition shall be in the same manner as proceedings for the initial imposition of the
559 tax as provided for in Code Section 48-8-109.32. Such newly authorized tax shall not be
560 imposed until the expiration of the tax then in effect.

561 48-8-109.34.

562 A tax levied pursuant to this article shall be exclusively administered and collected by the
563 commissioner for the use and benefit of the special district imposing the tax. Such
564 administration and collection shall be accomplished in the same manner and subject to the
565 same applicable provisions, procedures, and penalties provided in Article 1 of this chapter
566 except that the sales and use tax provided in this article shall be applicable to sales of motor
567 fuels as prepaid local tax as defined in Code Section 48-8-2; provided, however, that all
568 moneys collected from each taxpayer by the commissioner shall be applied first to such
569 taxpayer's liability for taxes owed the state; and provided, further, that the commissioner
570 may rely upon a representation by or on behalf of the county government or the Secretary
571 of State that such a tax has been validly imposed, and the commissioner and the
572 commissioner's agents shall not be liable to any person for collecting any such tax which
573 was not validly imposed. Dealers shall be allowed a percentage of the amount of the tax
574 due and accounted for and shall be reimbursed in the form of a deduction in submitting,
575 reporting, and paying the amount due if such amount is not delinquent at the time of
576 payment. Such dealer deduction shall be at the rate and subject to the requirements
577 specified under subsections (b) through (f) of Code Section 48-8-50.

578 48-8-109.35.

579 Each sales and use tax return remitting sales and use taxes collected under this article shall
580 separately identify the location of each retail establishment at which any of the sales and
581 use taxes remitted were collected and shall specify the amount of sales and the amount of
582 taxes collected at each establishment for the period covered by the return to facilitate the
583 determination by the commissioner that all sales and use taxes imposed by this article are
584 collected and distributed according to situs of sale.

585 48-8-109.36.

586 The proceeds of the tax collected by the commissioner under this article shall be disbursed
587 as soon as practicable after collection as follows:

588 (1) One percent of the amount collected shall be paid into the general fund of the state
589 treasury to defray the costs of administration; and

590 (2) The remaining proceeds of the tax shall be distributed to the county whose boundary
591 is conterminous with the boundary of the special district to be distributed thereafter by
592 such county among the political subdivisions within the special district in accordance
593 with the distribution schedule, which shall be prescribed in the intergovernmental
594 agreement imposing the tax.

595 48-8-109.37.

596 Where a local sales or use tax has been paid with respect to tangible personal property by
597 the purchaser either in another local tax jurisdiction within the state or in a tax jurisdiction
598 outside the state, the tax may be credited against the tax authorized to be imposed by this
599 article upon the same property. If the amount of sales or use tax so paid is less than the
600 amount of the use tax due under this article, the purchaser shall pay an amount equal to the
601 difference between the amount paid in the other tax jurisdiction and the amount due under
602 this article. The commissioner may require such proof of payment in another local tax

603 jurisdiction as the commissioner deems necessary and proper. No credit shall be granted,
604 however, against the tax imposed under this article for tax paid in another jurisdiction if the
605 tax paid in such other jurisdiction is used to obtain a credit against any other local sales and
606 use tax levied in the special district or any political subdivision within the special district;
607 and taxes so paid in another jurisdiction shall be credited first against the tax levied under
608 Article 2 of this chapter, if applicable, then against the tax levied under Part 1 of Article
609 3 of this chapter, if applicable, then against the tax levied under Part 2 of Article 3 of this
610 chapter, if applicable, and then against the tax levied under this article.

611 48-8-109.38.

612 No tax provided for in this article shall be imposed upon the sale of tangible personal
613 property which is ordered by and delivered to the purchaser at a point outside the
614 geographical area of the special district in which the tax is imposed regardless of the point
615 at which title passes, if the delivery is made by the seller's vehicle, and including United
616 States mail or common carrier or by a private or contract carrier licensed by the Federal
617 Motor Carrier Safety Administration or the Georgia Department of Public Safety.

618 48-8-109.39.

619 No tax provided for in this article shall be imposed upon the sale or use of building and
620 construction materials when the contract for which the materials are purchased or used was
621 advertised for bid prior to the voters' approval of the levy of the tax and the contract was
622 entered into as a result of a bid actually submitted in response to the advertisement prior
623 to approval of the levy of the tax.

624 48-8-109.40.

625 The commissioner shall have the power and authority to promulgate such rules and
626 regulations as shall be necessary for the effective and efficient administration and
627 enforcement of the collection of the tax authorized by this article.

628 48-8-109.41.

629 The tax authorized by this article shall be in addition to any other local sales and use tax.
630 The imposition of any other local sales and use tax within a county, municipality, or special
631 district shall not affect the authority of a county, municipality, or special district to impose
632 the tax authorized by this article, and the imposition of the tax authorized by this article
633 shall not affect the imposition of any otherwise authorized local sales and use tax within
634 a county, municipality, or special district.

635 48-8-109.42.

636 (a) Any proceeds received by a political subdivision from the tax authorized by this article
637 shall be used by such political subdivision exclusively for tax relief and in conjunction with
638 all limitations provided in the intergovernmental agreement authorizing the tax for such
639 political subdivision.

640 (b)(1) Each taxpayer's ad valorem tax bill shall clearly state the dollar amount by which
641 the property tax has been reduced as a result of the imposition of the tax imposed under
642 this article.

643 (2) The roll-back rate for the political subdivision, which is calculated under Code
644 Section 48-5-32.1, shall be reduced annually by the millage equivalent of the net
645 proceeds of the tax authorized under this article, which proceeds were received by the
646 political subdivision during the prior taxable year.

647 (c) If any political subdivision is not in compliance with the use of the proceeds of a tax
648 levied under this article, the commissioner shall not certify the tax digest of such political
649 subdivision until it complies with this Code section."

650

PART IV

651

SECTION 4-1.

652 This Act shall become effective on January 1, 2025, and shall be applicable to taxable years
653 beginning on or after January 1, 2025; provided, however, that, if a constitutional amendment
654 which becomes effective on such date and which authorizes the General Assembly to provide
655 by general law for a homestead exemption that applies statewide, but that permits political
656 subdivisions to individually opt out of such homestead exemption, has not been ratified, then
657 this Act shall stand automatically repealed on such date.

658

SECTION 4-2.

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



191 Peachtree Street NE, Suite 700 • Atlanta, GA 30303



201 Pryor Street, SW • Atlanta, GA 30303

ASSOCIATION COUNTY COMMISSIONERS OF GEORGIA & GEORGIA MUNICIPAL ASSOCIATION

HB 581 (2024): Frequently Asked Questions Document

The Local Opt-out Floating Homestead Exemption & Floating Local Option Sales Tax (FLOST)

House Bill 581 was passed by the Georgia General Assembly during the 2024 legislative session and was signed into law by Governor Kemp on April 18, 2024.

[HB 581](#) provides for several significant changes impacting local government revenue. Counties and cities must understand these changes and be prepared to make critical decisions in the coming months that will have lasting impacts. In general, HB 581 has three major components: first, the bill provides for some procedural changes to property tax assessments and appeals; second, the bill provides for a new statewide homestead exemption that applies to local governments unless the local government affirmatively opts out; third, the bill creates a new local option sales tax available to be used for property tax relief.

This document provides frequently asked questions (FAQs) to give an overview of the key provisions of the bill, the statewide homestead exemption and new local option sales tax, and the considerations local governments must have in mind. Appendix A then includes an outline of these key provisions to help guide local decision making.

A. Generally

1. In a nutshell, what is HB 581 (2024) about?

HB 581 contains multiple provisions related to property tax and sales tax. Most relevant to this FAQ, the bill:

- a. Grants a statewide homestead exemption that limits the increases in the taxable value of homes to no more than the inflation rate that occurred over the prior year;
- b. Allows local governments to elect to opt out of this homestead exemption within their jurisdiction so that it will not apply to their taxable values; and
- c. Authorizes most local governments with the new homestead exemption (or equivalent) to levy a new sales tax to be used for property tax relief.

2. Where did this proposal come from and what was the reason?

Entering the 2024 legislative session, many legislators were concerned with the rapid rise in property values across the state, and in turn, the rise in property taxes. The homestead exemption proposal came from the General Assembly and was first introduced in the Senate. The reason was to provide more certainty to homeowners who are concerned about the significant increases to the taxable value of homes in recent years. Under this bill, if the local government does not opt out, then the homeowner knows their value may not increase by more than the rate of inflation, which prevents large jumps and helps them budget.

The sales tax provision (FLOST) came from the House and was originally designed as a flexible new sales tax to act in place of sales tax laws written to apply to only one jurisdiction, such as that for the Coliseum SPLOST for Augusta-Richmond County; however, it changed throughout the legislative process to become a method to reduce millage rates imposed on all properties (homestead and non-homestead).

B. The Homestead Exemption of HB 581

1. What type of homestead exemption does HB 581 provide? Is there a difference between floating, base-year, adjusted base-year, and frozen homestead exemptions?

The core purpose of any base-year, floating, or frozen homestead exemption is to reduce or eliminate the tax impact of increases in the fair market value of a homesteaded property that occur following the purchase of a home. The terms are generally synonymous and used to describe either the practical or technical effect of the exemption. The key difference is whether such an exemption allows for adjustments to the base year value based on a standard rate or the inflation rate.

For a base-year, floating, or frozen homestead exemption **without** an adjustment factor, the value of the exemption changes or floats each year to always equal and exempt the full difference between the base-year value of the home and the current value of the home, so that the taxable value of the home never increases (but the millage rate may still increase). These are most often called frozen exemptions because the assessed value of the home is blocked from increasing (and often, from decreasing).

For a base-year, floating, or frozen homestead exemption **with** an adjustment factor, the base year and the base year value for a homestead does not change, but the base year value is adjusted annually by a percentage equal to either a set rate or the inflation rate that occurred during the prior year. These are best called adjusted base-year homestead exemptions.

In the case of HB 581, practically speaking, the homestead exemption limits the amount of any increase in the assessed value of homes to no more than the rate of inflation experienced over the prior year—it does not freeze the value. This is best described as an adjusted base-year homestead exemption, because it grants an exemption equal to the difference between the homestead’s adjusted base-year value—generally the value for the year prior to the homeowner’s application for the exemption plus an inflation factor for each year since the exemption was first granted—and the current year’s true value.

It is important to note that most of these homestead exemptions do account for substantial changes in the property. For example, if a homeowner doubles the size of their house, then the base-year value may be increased, regardless of any freeze or limitation, but thereafter, the new base-year value enjoys the benefit of the exemption. Also important to note, these exemptions do not stay with the property nor the property owner when a change in ownership occurs. If an individual sells their home, the taxable value of that home resets to fair market value for the next owner. Similarly, the individual cannot carry the value of the exemption to their new home.

2. How is the value of the HB 581 homestead exemption determined?

The value of the exemption is unique to each individual property and will generally change each year for such properties. The core purpose of a base-year or floating homestead exemption is to reduce or eliminate the impact of increases to the fair market value of a homestead. In the case of HB 581, the homestead exemption prevents rapid increases in the assessed value of homes but does not freeze the value.

HB 581 is considered an adjusted base-year homestead exemption, because it allows the homestead’s base-year value to increase annually by up to the inflation rate determined by the State Revenue Commissioner (likely the consumer price index) which occurred during the prior year. The value of the exemption is the difference between the adjusted base-year value and the fair market value. Even if two properties begin with identical base year values, if the fair market value of the properties diverge over time, then the property with the higher fair market value will receive the larger exemption while potentially paying the same in property taxes.

3. If my local government wants to opt out of the HB 581 homestead exemption, how can we do that?

As authorized through a constitutional amendment (HR 1022 (2024)) and outlined in HB 581, the opt-out process is very similar to the “public notification of tax increase” process that is required when a local government does not fully rollback its millage rate. The local government seeking to opt out of the HB 581 homestead exemption must advertise and hold three public hearings of intent to opt out, and then pass a resolution opting out and file it with the Secretary of State. The process may not begin until the effective date of the bill on January 1, 2025, and must be completed by March 1, 2025. Each local government (county, city, school) may independently make the decision whether to opt out; any combination may elect to do nothing or opt out of the HB 581 floating homestead exemption. If a local government opts out, its taxpayers will not receive the benefit of the exemption, and their property will be taxed (absent other exemptions) at the property’s fair market value.

4. Should my local government opt out of the homestead exemption if we already have another form of a floating, base-year, or frozen homestead exemption?

There are at least a few things to consider when answering this question for your jurisdiction.

First, how far does your current floating homestead exemption extend? Does it cover all millage rates, including those for special districts? The reason that this is important to answer is that the HB 581 homestead exemption extends to all millage levies except for any bond levies.

Second, does your current homestead exemption incorporate any form of inflationary or automatic increase? The value of the HB 581 homestead exemption for each homeowner is, in effect, reduced annually by the amount of inflation that occurred over the prior year, which allows the taxable value of the homestead to rise over time in-line with inflation. If your jurisdiction has a set rise over time that is expected to exceed the inflation factor in HB 581, then your jurisdiction may want to opt out.

Third, if the homestead exemptions are equivalent, you may want to consider opting out of the HB 581 floating homestead exemption to reduce confusion. Your jurisdiction would still have access to the new sales tax for property tax relief (FLOST) assuming all the conditions to impose the tax are met.

5. Does the HB 581 homestead exemption apply to community improvement districts (CIDs)?

For all practical purposes, the homestead exemptions would not apply to CID's as CID's may only levy taxes on nonresidential property. Ga. Const. Art. IX, Sec. VII, Para. III(c).

6. How does the HB 581 homestead exemption affect tax allocation districts (TADs)?

The homestead exemption could potentially reduce the amount of expected property tax revenue growth within the TAD by limiting the assessed value increase of homestead property over time. This question requires analysis specific to the TAD in question.

7. Can the HB 581 floating homestead exemption be later repealed for my county or city?

If a jurisdiction elects not to opt out of the HB 581 homestead exemption, they will not have an opportunity to opt out in the future and will have the homestead exemption permanently. There may be a method to remove such jurisdictions in the future, but it would require a change to general law or a constitutional amendment done by the legislature.

8. Will the HB 581 homestead exemption affect a homeowner's existing homestead exemptions?

HB 581 does not eliminate any existing homestead exemptions for any jurisdiction, regardless of the type of homestead exemption, but it may override existing floating, base-year, and frozen exemptions, if the HB 581 exemption provides a greater benefit to the taxpayer.

- a. If your local government has an existing non-floating homestead exemption, such as an exemption for \$5,000 of assessed value, that will be unaffected by HB 581. The floating homestead exemption is calculated first, and then the non-floating exemptions are calculated on the back end. That said, if the existing, non-floating local homestead exemption says that it may not be applied in addition to any other homestead exemption, then it may not be applied.
- b. If your local government has an existing base-year homestead exemption, then the taxpayer will receive whichever provides them with the largest benefit in any given year. Your tax assessor's office will be responsible for tracking both floating homestead exemption values in addition to the fair market value.

For example, if there is an existing base-year or floating homestead exemption that does not have inflationary increases, then it would generally provide the larger benefit to the taxpayer. Similarly, if the base-year of a homestead exemption that is comparable to HB 581 pre-dates HB 581's base-year, then the older base year will likely provide the larger benefit.

9. Will it affect the county's ability to impose a FLOST if another city opts out of the homestead exemption granted by HB 581?

Yes, if a city that imposes a property tax opts out, then the county and all cities within the county will be ineligible for the FLOST. If a city that does not levy a property tax opts out, then it would not affect the ability for the county to levy a FLOST. If even one city that opts out does levy a property tax at such time, then the FLOST would not be permitted. Of course, jurisdictions may opt out and not impact eligibility if the jurisdiction has another eligible homestead exemption in place.

10. If the county opts out of the homestead exemption will this impact a municipality's ability to impose a FLOST?

Yes. Similarly, if a county opts out all municipalities in the county will be ineligible for the FLOST unless the county has another eligible homestead exemption in place.

11. If a municipality or a county opts out of the HB 581 homestead exemption will homesteads have multiple assessed values for tax assessment?

Yes, if the homestead exemption applies for some but not all jurisdictions, the taxable value of the property will essentially be different. The fair market value of a property is the same for all taxing jurisdictions where the property is subject to property tax. Homestead exemptions are applied after the fair market value of the home is determined and reduce the taxable value of the home—the taxable value may be different among jurisdictions based on applicable homestead exemptions.

Every county assessor's office is required to maintain a set of books with the fair market value of the property. The assessor's office will be required to maintain two or more sets of values if there are one or more floating homestead exemptions. Each homestead may have a different base-year value across multiple jurisdictions, but this will be tracked by the assessor's office.

12. For a home that has an exemption under HB 581, what happens if the home is substantially improved or is destroyed? How are changes to the home's value that do not result from market forces handled?

Substantial changes to the property are considered when assessing the property. Any substantial change will increase or decrease the adjusted base year value of the home.

Example: The adjusted base year value of a home as of January 1, 2028, was \$500k. During 2028, the homeowner doubles the square-footage of her home and adds a swimming pool. As of January 1, 2029, the tax officials for the county determine that the changes to the home increase the value by \$200k. The adjusted base year value for the 2029 tax year = \$500k (the 2028 ABYV) + \$200k (substantial change value) + any applicable inflation factor.

13. If my local government opts out of the floating homestead under HB 581, can we opt in at a later date?

If your local government opts out, there is no future opportunity for the local government to unilaterally opt-in or rejoin the HB 581 exemption.

However, a local government may still obtain a similar homestead exemption in a traditional manner. The General Assembly may pass a local Act creating an equivalent local floating homestead exemption. This would require 2/3's vote in the General Assembly and a local referendum. The General Assembly may do this against the will of the local government. We encourage you to maintain a dialogue with your local legislators, especially if you intend to opt out.

14. If my local government opts out of the HB 581 floating homestead exemption and our legislative delegation disagrees with that decision, can they take action to mandate the floating homestead exemption on my local government?

If your local government opts out of the HB 581 floating homestead exemption and your legislative delegation disagrees with that decision, your local delegation can pass a local Act to impose a floating homestead exemption within the jurisdiction. HB 581 has not changed the ability of the legislature to create specific homestead exemptions for local governments. This local Act would be subject to 2/3 vote in the General Assembly and approval by the voters in a local referendum. If the referendum is successful, then your local government would be subject to the homestead exemption provided for in the local Act, even though you opted out of the HB 581 exemption.

Note: A local government could elect to opt out of the HB 581 exemption and ask their local delegation to proceed with a more customized version of the homestead exemption.

15. Can the floating homestead exemption be transferred to a new owner of the home?

No, the homestead exemption is not portable or transferable—it is tied both to the property owner and the home. However, in the case of a surviving spouse who was not on the deed at the time of their spouse's death, said surviving spouse may continue the homestead exemption in the same manner as the deceased spouse, provided that the surviving spouse is otherwise eligible for the homestead exemption.

For anyone else that acquires the home as a homestead, the base-year and base-year value will be reset to the year prior to the person's acquisition of the home and to the actual value for the home for such prior year.

16. How much land can be included in a qualified floating homestead exemption?

Georgia state law states that the homestead exemption applies to the homestead and the land immediately surrounding the homestead; there is no specification for acreage. Many local homestead exemptions do limit the total acreage. It is likely up to local interpretation as to what

land constitutes the land “immediately surrounding” the homestead. The exemption would not include buildings or structures on the property, which are not part of the homestead dwelling, itself.

17. Does the HB 581 floating homestead exemption apply to special service districts?

Yes, the HB 581 floating homestead exemption applies to all millage rates except for millage rates to retire bonded indebtedness.

Point to consider: If the local government has an existing floating homestead exemption that *does not* apply to special service districts, then you may want to consider opting out, so your special service district millage levies are unaffected.

18. If a homeowner’s assessed value was locked following their appeal to the Board of Equalization in 2022, would that value be used for the 2024 base year for the purposes of the HB 581 exemption?

The homestead’s final assessed value for the base year is the base year value for the purposes of the HB 581 exemption. Code Section 48-5-44.2(a)(3)(A). Accordingly, if the locked assessed value from 2022 is what was lawfully used as the homestead’s final assessed value for 2024, then that taxpayer would have their HB 581 2024 base year assessed value set at that same amount.

19. Will the market value or the adjusted base year value be used when calculating value increases to the tax digest that are factored into the rollback millage rate that cannot be exceeded without advertising a tax increase?

The digest value for rollback purposes utilizes the net taxable digest, which is the value of the digest *after* exemptions are accounted for.

C. The Floating Local Option Sales Tax (FLOST)

1. Generally, what is the FLOST?

The Floating Local Option Sales Tax or FLOST (named for its relation to the floating homestead exemption) is a new sales tax that can be levied up to 1 percent and collected county-wide. Funds are split between the county and cities based upon an intergovernmental agreement (IGA) and used for property tax relief.

2. What are the minimum requirements for a given county or municipality to be eligible to levy a FLOST?

- a. The county or municipality must levy a property tax and have a base-year or floating homestead exemption in effect¹;
- b. All other municipalities within the county that currently levy a property tax must also have a base-year or floating homestead exemption in effect²;
- c. The county or municipality must have available room under the overall sales tax cap³;
- d. The county and the applicable number of municipalities must enter into an intergovernmental agreement as required under Code Section 48-8-109.31(d)(1)(B);
- e. Hold a successful local referendum⁴; and
- f. Utilize the proceeds for property tax relief and in accordance with the IGA⁵.

3. Who must sign the intergovernmental agreement to authorize the referendum for the FLOST?

The county must reach an intergovernmental agreement with municipalities levying a property tax that represent at least 50% of the total municipal population within the county. This minimum requirement does not preclude more municipalities than those representing 50% of the municipal population from signing the IGA if all parties agree.⁶

Any municipality that does not sign the IGA is treated as an 'absent municipality' and will receive proceeds from the FLOST based upon the size of its population relative to the total municipal population within the county, excluding any municipalities that do not levy a property tax. Municipalities that do not levy a property tax are excluded from the calculations and from sharing in FLOST revenues.⁷

¹ Code Section 48-8-109.31(d)(1)(A).

² Code Section 48-8-109.31(d)(1)(A).

³ Code Section 48-8-6(a).

⁴ Code Section 48-8-109.32.

⁵ Code Section 48-8-109.42.

⁶ Code Section 48-8-109.31(d)(1)(A).

⁷ Code Section 48-8-109.31(d)(2).

4. What must an IGA to levy FLOST include?

- a. The rate of the tax: incremental in .05% increments up to a full 1.0%;
- b. The duration of the tax: up to 5⁸ years;
- c. Provisions for calling the referendum for the tax, including the question for the ballot;
- d. The distribution schedule⁹ apportioning proceeds among:
 - i. County
 - ii. Municipalities
 - iii. Absent Municipalities
- e. The IGA is not required to specify how property tax relief is to be applied but may do so.

5. How is the sales tax referendum scheduled?

First, there must be a valid intergovernmental agreement between the county and cities specifying the distribution of the tax. Next, the county may call for the sales tax referendum similar to other sales tax referenda.¹⁰

6. Is a local referendum necessary to impose the FLOST even if the ballot measure in November is successful?

Yes. It is important to note that the ballot question in November of 2024 proposes a constitutional amendment which enables the homestead exemption. If this amendment is not approved, all of HB 581 (including the FLOST) is repealed. If the constitutional amendment is approved, a subsequent referendum within the county is still required to levy the FLOST. Counties and cities should be mindful that the FLOST must be approved by voters in the county to be levied when making policy decisions concerning the homestead exemption.

7. Does FLOST revenue affect the rollback millage rate that is calculated for the purposes of Code Section 45-5-32.1 (Taxpayer Bill of Rights), which requires the advertising of a property tax increase, if exceeded?

Yes. Unlike LOST, the total amount of FLOST collected in the preceding calendar year must be subtracted from the millage equivalent calculated to provide the jurisdiction with the same net proceeds from the current year’s net taxable digest value as those derived from the previous year’s millage rate when multiplied by the previous year’s net taxable digest value.

⁸ Code Section 48-8-109.32(a).

⁹ Code Section 48-8-109.36(2).

¹⁰ Code Section 48-8-109.32.

8. What can the FLOST revenues be used for?

FLOST revenue must be used for property tax relief. Per Code Section 48-8-109.42, FLOST revenues:

- “[S]hall be used exclusively for tax relief and in conjunction with all limitations provided in the intergovernmental agreement authorizing the tax for such political subdivision.”
- Additionally:
 - “Each taxpayer's ad valorem tax bill shall clearly state the dollar amount by which the property tax has been reduced as a result of the imposition of the tax imposed under this article”; and
 - “The roll-back rate for the political subdivision, which is calculated under Code Section 48-5-32.1 [Taxpayer Bill of Rights], shall be reduced annually by the millage equivalent of the net proceeds of the tax authorized under this article, which proceeds were received by the political subdivision during the prior taxable year.”

9. In what ways may the local government calculate and apply the FLOST property tax relief to the property tax bill?

Outside of the parameters in Code Section 48-8-109.42, jurisdictions have latitude to apply the funds for legal purposes within the special district and as may be provided for in the intergovernmental agreement.

- The tax relief must be applied uniformly across all forms of tangible property within the given taxing jurisdiction for which it applies. For these purposes, taxing jurisdictions for which property tax relief may be granted can be the county, a municipality, or a special district, provided that the application is uniform within the given taxing jurisdiction.
- When the credit or reduction is shown on the taxpayer’s property tax bill, it **MUST** be applied as property tax relief, which would be a reduction in a charge that is assessed and levied upon the value of a property. The credit *cannot* reduce any charge or fee, which is not levied upon the value of the property (ad valorem). If a flat dollar amount is shown on the property tax bill, said dollar amount must be derived from the taxpayer’s savings from the reduction in the millage rate or assessed value.
- While not required, the best practice is to include within the required IGA exactly how the proceeds of the FLOST will be applied as property tax relief.

10. What types of communities would benefit most from a FLOST?

Communities that wish to supplant property taxes with sales tax would benefit from FLOST. It is a policy decision that would be expected to shift some of the tax burden imposed on the local government’s property owners to those who make purchases within such jurisdiction. Accordingly, communities with sales tax revenues derived disproportionately from those living outside of the local government’s jurisdiction would expect to see a net benefit for its property owners by shifting the tax burden to consumers; whereas those communities that have disproportionately few property owners among its many resident consumers would find only a shifting of the tax burden within the jurisdiction.

11. How often does the FLOST have to be voted on?

FLOST may be implemented for up to 5 years at a time, so at least every 5 years. Moreover, all FLOST renewals require a local Act of the General Assembly, so there is no renewal without a local Act and a new IGA, and passage in a local referendum.¹¹ While there is no requirement of a local Act to initially levy the FLOST any subsequent renewal does require a local Act from the General Assembly.

12. My county doesn't have a LOST. How will this affect my county, city, etc.?

Having a LOST is not a requirement for the FLOST. LOST is the most similar sales tax to the FLOST, but the way property tax relief is calculated under FLOST is more flexible than LOST.

13. Does this bill require the Department of Revenue to provide point-of-sale information?

This bill does not require DOR to provide point of sale information but does require such information to be furnished to DOR by the retail establishments that are required to collect the tax. All sales for FLOST occur countywide (within the special district which is conterminous with the boundaries of the county), except in the case of a county containing a municipality that levies the Water and Sewer Projects Cost Tax (MOST), in which case the FLOST is not collected within the boundaries of the MOST city.

14. Are Water and Sewer Projects Cost Tax (MOST) cities ineligible for a FLOST?

Yes, the cities that levy a MOST tax are ineligible to levy or receive proceeds from FLOST. This means that they are not counted when determining the municipal population in the county levying the LOST, the city levying the MOST cannot share in the proceeds of the FLOST, and the FLOST may not be levied within the municipal boundaries of the city levying the MOST.

Currently, the MOST cities are: Atlanta, East Point, College Park, and Hapeville.

15. If the school board opts out of the floating homestead exemption, can the county and municipalities still levy the FLOST tax?

Yes, if the school board opts out, you can still levy the tax assuming all other requirements are met. Schools generally cannot receive revenues from sales taxes other than those authorized by the Constitution (ESPLOST) and certain existing Local Constitutional Amendments (ELOSTs), so it would require such a constitutional amendment specifically authorizing or requiring that school districts receive a share in the FLOST.

¹¹ Code Section 48-8-109.33(c)

16. If my jurisdiction opts out of the HB 581 floating homestead exemption and has an existing base-year or floating homestead exemption, but which only applies to the general maintenance and operations (M&O) levy, would my jurisdiction be blocked from participating in the FLOST?

No, not on that basis alone. If your local government has an existing floating or base-year homestead exemption of any kind, you may still qualify for the FLOST, even if you opt out of the HB 581 floating homestead exemption. HB 581 only requires that you have some form of a base-year or floating homestead exemption to participate in FLOST. Such exemption can either be a local floating homestead exemption (predating HB 581 or added after) or the HB 581 floating homestead exemption. Please note that the HB 581 floating homestead exemption will apply to all levies, including special service districts, except for bonded indebtedness.

17. If my county or city decides to opt of the homestead exemption, is it forever ineligible to levy the FLOST?

No. First, your city or county may already have a homestead exemption in place making them eligible for the FLOST. Second, if there is no homestead exemption in place and your county or city opts out, it can once again become eligible to levy the FLOST in the future through a subsequent eligible homestead exemption put in place by a local Act of the General Assembly.

18. What happens if we pass a FLOST and our legislative delegation does not approve the renewal, or the voters do not renew it?

If you pass a FLOST and your legislative delegation does not approve the renewal or the voters do not renew it, then the most likely outcome is an increase in the applicable millage rates. Since FLOST is sales tax being used to offset property tax, if the FLOST expires, the local government will have to cut expenses, raise property taxes, or some combination thereof.

19. If my county has an ELOST, can we utilize the FLOST?

If your county has an ELOST, the availability of FLOST depends on a few factors:

- a. Does the exact verbiage of the local constitutional amendment (LCA) limit the distribution of proceeds in the way that FLOST requires? Some of the LCAs are very permissive, and others are very restrictive. Please consult with your local jurisdiction's attorney for a legal opinion.
- b. Is the jurisdiction otherwise eligible to levy a FLOST?
- c. Does the jurisdiction have sufficient room under its local sales tax cap to levy a FLOST? See Code Section 48-8-6(a).

ELOST Counties: Bulloch County; Chattooga County (and Trion City); Colquitt County; Habersham County; Houston County; Mitchell County (and Pelham City); Rabun County; Towns County.

Appendix A: HB 581 - Timeline/Decision Tree

- 1) November 5, 2024: Statewide ballot measure determining approval of constitutional amendment enabling homestead exemption.
 - a) If the ballot question is not approved, HB 581 is repealed in its entirety. No further action is needed by local governments. All other property tax changes and the FLOST are repealed as well.
 - b) If the ballot question is approved, counties, cities, and school boards may independently determine whether they would like to “opt out” of the homestead exemption and not have the exemption apply to their homeowners.
- 2) Beginning January 1, 2025 through March 1, 2025, local governments may “opt out” and not have their homeowners receive the HB 581 floating homestead exemption.
 - a) If the local government decides not to “opt out” no action is required by the local government and the homestead exemption will go into effect.
 - i) The HB 581 homestead exemption does not replace existing locally enacted homestead exemptions.
 - (1) If your local government has an existing flat dollar homestead exemption, the 581 exemption will be in addition to that exemption.
 - (2) If your local government has an existing base year or adjusted base year exemption, the taxpayer will receive the more beneficial exemption.
 - b) If your local government decides to opt out, it must advertise and hold three public hearings of intent to opt out, and then pass a resolution opting out and file it with the Secretary of State by March 1, 2025.
- 3) If the November 2024 ballot question is approved, your county or city may decide whether to levy a FLOST for property tax relief. You must determine if you are eligible for the FLOST.
 - a) If your county/city does not levy a property tax, you are not eligible to levy/participate in the FLOST.
 - b) If you levy a property tax:
 - i) Your county/city must have a base year or adjusted base year homestead exemption in place.

*This may either be the homestead exemption provided by HB 581 or an existing base year or adjusted base year homestead exemption created by a local Act.
 - ii) The county and every municipality in the county that levies a property tax must also have a base year or adjusted base year homestead exemption in place (HB 581 or existing).
 - iii) If the county or any city that levies a property tax does not have an eligible homestead exemption in place, the county and all cities within are not eligible for the FLOST.

- c) If the eligibility criteria is met:
 - i) The county and city or cities representing at least 50% of the municipal population of cities levying a property tax must sign an intergovernmental agreement (IGA) for the levy of the tax. This IGA will set the rate (up to 1%), duration (up to 5 years), distribution of proceeds among the county and cities, and the ballot question to be used.
 - ii) The levy of the FLOST must be approved by the voters across the county in a referendum.
- d) The FLOST may then be levied for up to 5 years before needing to be renewed. Prior to the expiration of the tax a renewal requires: A local Act by the Georgia General Assembly approving the renewal for the jurisdiction, a subsequent IGA between the eligible county and cities, and a subsequent referendum for the voters to approve the renewal of the tax.

Disclaimer

This publication is for general informational purposes only. While some of the information contained in this publication is about legal issues, it is not and should not be treated as legal advice. You should consult with your legal counsel before taking action based on the information contained in this publication. Material posted in this publication may be subject to copyrights owned by ACCG, GMA, or others, and any reproduction, retransmission or republication of such material, except for personal use or with the prior written consent of ACCG, GMA, or other copyright owner, is prohibited. The names, trademarks, service marks, logos and other emblems of ACCG and GMA in this publication may not be used without ACCG's or GMA's prior written express permission.

110 W. Clark Street
Oxford, GA 30054
Phone 770-786-7004
Fax 770-786-2211
www.oxfordgeorgia.org



Incorporated December 23, 1839

Mayor David S. Eady
City Manager Bill Andrew
City Clerk/Treasurer Marcia Brooks

January 23, 2025

PRESS RELEASE ANNOUNCING PUBLIC HEARINGS REGARDING THE STATEWIDE ADJUSTED BASE YEAR AD VALOREM HOMESTEAD EXEMPTION

The City of Oxford today announces three public hearings to receive written and oral comments concerning whether to opt out of the statewide adjusted base year ad valorem homestead exemption. Public hearings for this purpose will be held on February 3, 2025, at 6:30 p.m., and February 17, 2025, at 10:00 a.m. and 6:00 p.m. Following the hearing at 6:00 p.m. on February 17, 2025, a Special Called Voting Meeting will be held at 6:30 p.m. during which the Mayor and City Council will vote on a resolution to opt out of the statewide adjusted base year ad valorem homestead exemption. All hearings and meetings will be held at Oxford City Hall, 110 West Clark Street, Oxford, Georgia, 30054.

The Georgia General Assembly passed House Bill (HB) 581 during the 2024 legislative session, and Governor Kemp signed the bill into law on April 18, 2024. One of the bill's provisions is a new statewide homestead exemption that applies to local governments unless the local government opts out. The statewide homestead exemption limits the increase in the taxable value of homes to no more than the inflation rate that occurred over the prior year. It also authorizes local governments to impose a special purpose sales tax, subject to local referendum, up to one (1) percent to generate revenue to cover general government costs typically covered by revenue from property taxes. Local governments may elect to opt out of this homestead exemption within their jurisdiction so that it does not apply to their taxable values.

The Oxford mayor and council are eager to receive written and oral comments from residents and property owners in the city of Oxford as they consider whether to opt out of this statewide homestead exemption. In order to opt out, the city must conduct three public hearings, pass a resolution opting out, and file that resolution with the Secretary of State by March 1, 2025. The mayor and council are following this process to maintain the option of opting out while we receive input from our residents and property owners.

Additional information on HB 581 and the statewide adjusted base year ad valorem homestead exemption is available online through the Association County Commissioners of Georgia (ACCG) and Georgia Municipal Association (GMA): <https://www.gacities.com/GeorgiaCitiesSite/media/PDF/HB-581-FAQs-FINAL.pdf>.

HB 581 Summary and Guidance

ACCG & GMA Joint Trainings
October 3rd, 2024

Ryan Bowersox
Assistant General Counsel, GMA

Dante Handel
Associate Director of Governmental Affairs, ACCG



Background: Where Did This Come From?



- Legislature entered 2024 session concerned about rising property value assessments and in turn property tax
- Senate leaders wanted measures to control rapid increases in property assessments
- House leaders looked to expand sales tax options
- Various proposals ultimately resulted in HB 581 (& HR 1022)

HB 581: Overview

Signed into law April 18, 2024 (Act 379).

Contingent upon November Statewide Referendum (HR 1022)

Major Components:

- 1.Statewide Floating Homestead Exemption (Part 2)
- 2.New Local Option Sales Tax (Part 3)
- 3.Property Tax Procedural Changes (Part 1)



Presentation Outline

- When does this bill take effect?
- Who gets a floating homestead exemption?
- What is a floating homestead exemption?
- What is the procedure to opt out and what is the timeline?
- What is the new sales tax?
- Other sales tax revisions
- Other property tax changes
- Policy considerations for local governments
- Other local government considerations

When Does this Bill Take Effect?

- HB 581 is contingent upon the passage of the constitutional amendment from HR 1022 on November 5, 2024 which allows local governments the ability to opt out of the floating homestead exemption.
 - A simple majority is required for passage.
 - If the constitutional amendment fails, all of HB 581 is repealed.
 - If the constitutional amendment passes, then the bill takes effect January 1, 2025.

HB 581

Part 1: Statewide Floating Homestead Exemption

- If approved, HB 581 implements a statewide floating homestead exemption for all local governments:
 - Counties
 - Cities
 - School Boards
- A floating homestead is a special type of homestead exemption designed to offset or reduce increases in taxable value to the property.
 - It is also referred to as a base-year or value offset exemption.
 - Freezes are a type of floating homestead exemption, but do not have an annual inflationary adjustment.

How Does a Floating Homestead Exemption Work?

- It works by increasing the value of the exemption to offset inflation.
 - For example, if a property had a taxable value of \$100,000 and the taxable value increased the following year due to market changes to \$110,000, then the exemption 'floats' to be worth \$10,000 of taxable value so the taxpayer still pays on the original base year value of \$100,000.



How Does HB 581's Floating Homestead Exemption Work?

- The HB 581 floating homestead exemption is unique because the base year value is adjusted and will increase by a rate of inflation determined by the State Revenue Commissioner – likely CPI.
 - If we take the same property with a \$100,000 taxable base year value and CPI is 2% the following year, then the base value of \$100,000 may be increased by up to 2% to give an adjusted base year value of \$102,000. The exemption 'floats' to be worth \$8,000 of assessed value so the taxpayer would pay on a taxable value of \$102,000 in year 2.

How Does HB 581's Floating Homestead Exemption Work?

- For homes first receiving this exemption in taxable year 2025, the base year assessed value will be the 2024 assessed value.
- For homes first receiving the exemption in later years, the base year assessed value will be the assessed value for the immediately preceding year.
- Similar to other homestead exemptions, the value will be reset when the home is sold and is adjusted with “substantial property change.”
- Homeowners can not transfer exemption to new property.

How Does HB 581's Floating Homestead Exemption Work?



- The effect of HB 581's homestead exemption:
 - The taxable value of a home may only increase at a rate of inflation each year.
 - Essentially controlling this will control how much the "value" of a home can increase annually.
- Homeowners already granted a homestead will receive this exemption automatically.
- Non-homesteaded property (i.e. Commercial) will continue to be valued at fair market.

How Does this New Homestead Exemption Impact Existing Homestead Exemptions?

- This new floating homestead exemption is in addition to and not in lieu of all non-floating homestead exemptions. This will not repeal/replace existing homestead exemptions!
 - If there is an existing local floating homestead exemption, the taxpayer will receive whichever of the two exemptions is more beneficial. This is also true if a local floating homestead exemption is added in the future.
 - Existing local exemptions, such as the \$2,000 of assessed value, are added after the floating homestead exemption is calculated.

How Can a Local Government “Opt Out” of the Homestead Exemption?

- Any governing authority may elect to opt out of the floating homestead exemption created by HB 581 by following a procedure like the “public notification of tax increase” when a full rollback is not taken.
 - The local government must advertise and conduct three public hearings of intent to opt out and later adopt a resolution.
 - Must file resolution to Secretary of State by March 1, 2025!
 - If procedures are not met, opt out is not effective.

How Can a Local Government “Opt Out” of the Homestead Exemption?

- This process may not begin until the bill takes effect on January 1, 2025, and must be completed by March 1, 2025.
- A governing authority may not opt-out of the statewide floating homestead exemption after this deadline.
- However, the local delegation may pass a local Act of the General Assembly to implement a local floating homestead exemption at any time.



How Can a Local Government “Opt Out” of the Homestead Exemption?



- Important to note: The decision to opt out is independent among local governments.
- A county, the cities, and the school board may each decide whether to opt out.
- The decision of whether or not to opt out will not impact the other local government’s homestead exemption.
- This may result in homes having different taxable values.

Is the Decision to “Opt Out” or “Stay In” Permanent?

- **Yes**
- No action is needed by the local government to have the homestead exemption apply if it is approved in November.
 - Once the opt out period has passed, currently there is no future method to opt out.
- If a local government opts out, there is no future method to opt in to the HB 581 exemption.
 - Of course, a similar homestead exemption can still be done in traditional manner.

HB 581 Timeline

November 5, 2024: Statewide Question on Constitutional Amendment

January 1, 2025: HB 581 takes effect, if approved

March 1, 2025: Deadline for local governments to “opt out” of homestead exemption

HB 581

Part 2: Sales Tax Revisions and FLOST

- HB 581 makes two major changes to local sales tax:
- Revises the provisions of O.C.G.A. 48-8-6 which limits the percentage of local sales tax a jurisdiction may levy.
- Creates new local option sales tax contingent upon jurisdictions having a base year value homestead exemption.



Revised Local Sales Tax Limitation

- This legislation revises the existing two percent local sales tax cap; exemptions now include:
 - ESPLOST
 - Up to one percent of the transportation sales taxes, which include:
 - Regional TSPLOST
 - Single-County TSPLOST
 - Transit SPLOST
 - MARTA
 - One of the specialty pennies, including:
 - **The new sales tax for property tax relief created by HB 581**
 - Columbus-Muscogee and Macon-Bibb OLOST
 - Augusta-Richmond Coliseum SPLOST
 - MOST for Atlanta and cities connected to its water system (East Point, College Park, and Hapeville)

What is the New Sales Tax?

- A new sales tax is created for the limited purpose of property tax relief – it may be levied in 0.05 percent increments up to one percent.
- To be eligible to levy the tax, **both the county and all cities within the county that levy a property tax** must have in effect a floating homestead exemption: either the one created by this bill or a local floating homestead exemption.
 - It does not matter if the school boards opt out or not since they are ineligible to share in the proceeds of the tax without a separate constitutional amendment.

How is the New Sales Tax Implemented?

- The county and city/cities representing at least fifty percent of the municipal population of cities that levy a property tax must enter into an intergovernmental agreement (IGA) calling for the tax.
- The IGA shall specify the rate, duration (not to exceed five years), and the distribution between the county and cities. It will also set the ballot question.



How is the New Sales Tax Implemented?



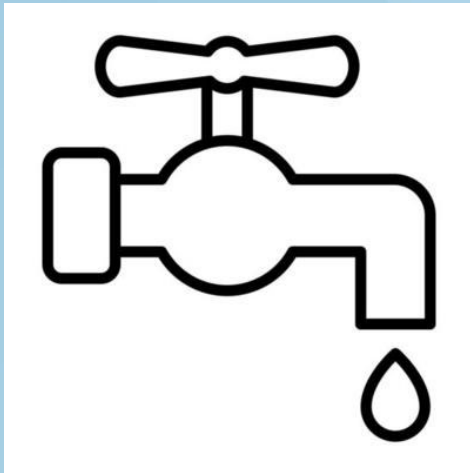
- Following the adoption of the IGA, the tax must be approved through local referendum.
- Approval by the voters will be required to levy the sales tax.
- This is a different vote than the one that occurs in November approving the constitutional amendment!

How are Cities Not on the IGA Treated?

- The IGA must also specify a portion of the proceeds that the cities not on the IGA will receive.
- Must not be less than the proportion the absent municipality's population bears to the total population of all cities within the county that levy a property tax.
 - Modelled after LOST absent municipality provisions.



How are MOST Cities Treated?



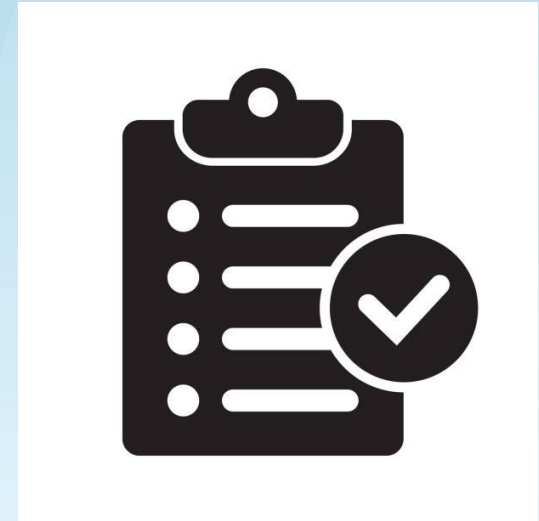
- Cities levying a MOST (Municipal Option Sales Tax for Water and Sewer Projects) are excluded.
- Will not be considered for eligibility and are not included in these calculations.
- Tax will not be collected within the city and city can not receive the proceeds of this tax.
- Currently Atlanta, East Point, College Park, & Hapeville.

How is the New Tax Collected and Distributed?

- Collection of the tax will begin at the start of the next calendar quarter beginning more than 50 days after that date (as opposed to eighty days for other local sales taxes).
- The Georgia Department of Revenue (DOR) sends the money to the county and the county will be responsible for distributing the money to the cities in accordance with the IGA.

How Can the Tax Be Renewed?

- The tax can run up to 5 years.
- Prior to the expiration, if the local governments want to renew, it requires:
 - Passage of a local Act calling for the reimposition of the tax.
 - A new IGA between the county and eligible number of cities.
 - A new referendum to approve the tax by the voters.
- Talk to your local delegation!

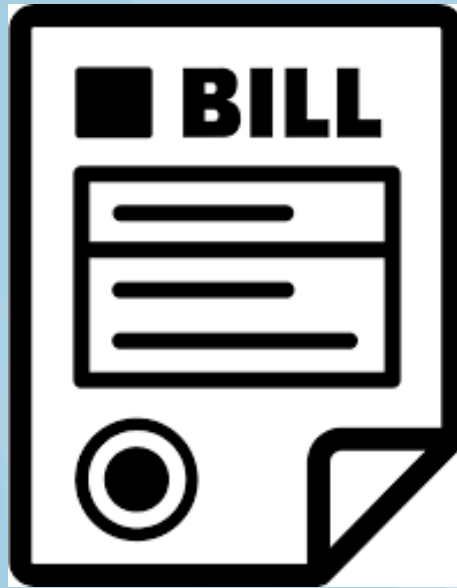


How are Funds From the New Sales Tax Used?

- Funds must be used exclusively for property tax relief.
- Each taxpayer's property tax bill shall state the amount by which property tax has been reduced because of the imposition of this tax.
- The roll-back rate shall be reduced annually by the millage equivalent of the net proceeds of this new tax received by the political subdivision during the prior taxable year.
- If any political subdivision is not in compliance with the use of the proceeds from this tax, then the State Revenue Commissioner shall not certify the tax digest of that political subdivision until it comes into compliance.

HB 581

Part 3: Procedural Property Tax Changes



- Created an “estimated roll-back rate” which is certified to the tax commissioner/collector by the local governments.
- The estimated roll-back rate is required to be included on the assessment notice, replacing the previous year’s millage rate.
 - Designed to attempt to allow local government to give more accurate estimate of what tax liability will be.

HB 581

Part 3: Procedural Property Tax Changes

- This gives local governments broad flexibility to set this rate wherever they deem appropriate.
 - This does not need to be the same millage rate as the rollback rate for taxpayer bill of rights.
- If the adopted millage rate exceeds the estimated roll-back rate, then a disclaimer is included on the tax bill stating the name of the governing authority that exceeded the estimated roll-back rate and that this will result in an increase of taxes owed.

HB 581

Part 3: Procedural Property Tax Changes

- Removed the provision that the sale price is the maximum allowable fair market value in the next taxable year.
 - This provision caused the Department of Audits and Accounts (DOAA) to change their sales ratio study methodology when it was originally passed in 2010, so this change will improve the sales ratio study and prevent penalties on local governments and their taxpayers.
- This legislation also allows the Board of Assessors to appeal the sales ratio study directly instead of requiring a local government to appeal on their behalf.

HB 581

Part 3: Procedural Property Tax Changes

- Modifying the three-year lock for appeals so the taxpayer only receives the lock if they receive a value reduction upon appeal.
- Updating the settlement conference statute so that if neither the taxpayer nor their representative participates in good faith, then the taxpayer shall not receive the benefit of the temporary 15 percent reduction in taxes owed and shall not be awarded attorney's fees.
- Requiring that the chief appraiser ensure that every parcel in the county be appraised at least every three years.

Policy Considerations for Local Governments

- As with any other local government choice, this is a policy decision with pros and cons to be considered.
- The floating homestead exemption rewards homeowners, especially those that reside in the community for a long period of time after this legislation takes effect.
- Taxes do not disappear – they only shift: in this instance, the taxes are shifting from homestead properties to all other property types (commercial, agricultural, industrial, residential non-homestead).

Policy Considerations for Local Governments

- Taxation is a formula: taxable value multiplied by the millage rate gives the property tax revenue to meet local budgets.
 - Since the floating homestead exemption slows the growth in value for residential homestead properties, it will create some upward pressure on the millage rate. The effects of a floating homestead increase over time, so this will have a smaller impact in the early years and a larger impact in the later years.
- Counties and cities may more easily increase the millage rate if needed than schools due to the 20-mill cap, which may only be exceeded after the successful passage of a local referendum.

Other Local Government Considerations

- Each local government (counties, cities, and schools) may independently decide whether to opt out.
- This decision does not impact the homestead exemptions but cities and counties can impact eligibility for the FLOST.
- Every local government has a unique digest mix of property types. Local officials are encouraged to contact their Chief Appraiser for information regarding their specific situation. Some communities will better be able to support a floating homestead exemption than others.

Other Local Government Considerations

- The referendum is likely to be very popular and citizens may not understand a local government's decision.
- Even if your local government decides to opt out of the HB 581 floating homestead exemption, nothing precludes your local delegation of the General Assembly from passing a local Act putting a local floating homestead to referendum in your jurisdiction.
- If a local government decides to opt out, it may be best practice to explain this decision to the public and the local delegation.

Other Local Government Considerations

- Many jurisdictions have existing floating homestead exemptions. These typically apply only to M&O millage rates, but not to special service districts (SSDs).
 - The HB 581 floating homestead exemption applies to special service districts in addition to M&O but does not apply to bond millage.
 - If a local government that has a floating homestead exemption already in place does not opt out, then their special service districts will be affected by the new floating homestead exemption.
- A local government may consider opting out to avoid confusion.

Other Local Government Considerations

- While the decision to opt out of the floating homestead exemption is independent, instituting the new sales tax requires collaboration between the county and cities.
- The county and all cities in the county that levy a property tax must have a base year homestead exemption in place (statewide or through a local Act).
- The county and cities should discuss the option of the sales tax before expiration of the opt out period.
- Know the distribution is determined by the IGA, so this should be discussed early.
- A local Act is required for renewal, so involve your local delegation.

Next Steps....

- Joint ACCG-GMA Webinar Oct. 16th (live and recorded).
 - This will be the same presentation
- Joint Guidance Document/FAQ released today!
 - Document on GMA's Website
 - Link to ACCG HB 581 page:
 - [ACCG Advancing Georgia's Counties](#)



Contact Us

Ryan Bowersox
Assistant General Counsel, GMA
rbowersox@gacities.com

Dante Handel
Associate Director of Governmental Affairs, ACCG
Dhandel@accg.org

