

House Bill 1185 (COMMITTEE SUBSTITUTE)

By: Representatives Camp of the 135th, Washburn of the 144th, Frye of the 122nd, Martin of the 49th, and Blackmon of the 146th

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 5 of Title 48 of the Official Code of Georgia Annotated, relating to tax
2 exemption, so as to limit the application of certain local requirements regarding the setting
3 of millage rates; to provide for a local option adjusted base year homestead exemption from
4 county, consolidated government, municipality, or school district taxes upon the local
5 approval of the governing authority and qualified voters of such political subdivisions; to
6 specify the terms and conditions of the exemption and the procedures relating thereto; to
7 provide for applicability; to provide for approval by local governing authorities and
8 referenda; to provide for related matters; to provide for an effective date and contingent
9 repeal; to repeal conflicting laws; and for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 **SECTION 1.**

12 Chapter 5 of Title 48 of the Official Code of Georgia Annotated, relating to tax exemption,
13 is amended in Code Section 48-5-32.1 of the Official Code of Georgia Annotated, relating
14 to certification of assessed taxable value of property and method of computation, resolution
15 or ordinance required for millage rate, and advertisement of intent to increase property tax,
16 by adding a new subsection to read as follows:

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17 "(g) The provisions of this Code section shall not apply to any levying authority or
18 recommending authority for which a base year assessed value homestead exemption or
19 adjusted base year assessed value homestead exemption is in effect."

20 **SECTION 2.**

21 Said chapter is further amended by adding a new Code section to read as follows:

22 "48-5-44.2.

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

24 (1) 'Ad valorem taxes' means all ad valorem taxes levied by, for, or on behalf of a given
25 county, consolidated government, municipality, or local school district in this state,
26 except for any ad valorem taxes levied to pay interest on and to retire bonded
27 indebtedness.

28 (2) 'Adjusted base year value' means, with respect to a given county, consolidated
29 government, municipality, or local school district, the sum of:

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

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

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

38 (3) 'Base year assessed value' means, with respect to a given county, consolidated
39 government, municipality, or local school district, the assessed value, including any final
40 determination of value on appeal pursuant to Code Section 48-5-311, of the homestead
41 from the taxable year immediately preceding the taxable year in which the local option

42 homestead exemption under this Code section is first granted to the applicant for such
43 political subdivision.

44 (4) 'Homestead' means homestead as defined and qualified in Code Section 48-5-40 of
45 the O.C.G.A., as amended.

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

48 (6) 'Previous adjusted base year assessed value' means, with respect to a given county,
49 consolidated government, municipality, or local school district:

50 (A) For the year in which a given local option homestead exemption is first granted to
51 a person on such person's homestead, the base year assessed value; or

52 (B) For all other years, the adjusted base year assessed value of the homestead as
53 calculated in the taxable year immediately preceding the current year, including any
54 final determination of value on appeal pursuant to Code Section 48-5-311.

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

61 (b)(1) As authorized under Paragraph III(b) of Section II of Article VII of the
62 Constitution, for a given county, consolidated government, municipality, or local school
63 district which has approved the homestead exemption in the manner provided for in
64 paragraph (3) of this subsection, each resident of such given political subdivision is
65 granted an exemption on that person's homestead from ad valorem taxes in an amount
66 equal to the amount by which the current year assessed value of that homestead,
67 including any final determination of value on appeal pursuant to Code Section 48-5-311,
68 exceeds its previous adjusted base year assessed value.

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

72 (3) The exemption provided for in paragraph (1) of this subsection shall not be
73 applicable to any county, consolidated government, municipality, or local school district
74 in this state until January 1 after:

75 (A) The governing authority of the county, consolidated government, municipality, or
76 local school district approves the local option homestead exemption by ordinance or
77 resolution; and

78 (B) Such ordinance or resolution is approved in a special election held in conformity
79 with the requirements for special elections pursuant to Title 21 by a majority of the
80 qualified voters of such county, consolidated government, municipality, or local school
81 district.

82 (4)(A) The exemption provided for in paragraph (1) of this subsection shall not be
83 available to any county, consolidated government, municipality, or local school district
84 in this state for which any base year value or adjusted base year value homestead
85 exemption is currently in effect or was in effect as of January 1, 2025.

86 (B) The governing authority of a political subdivision seeking to repeal a local option
87 homestead exemption approved under this Code section shall adopt a resolution or
88 ordinance that repeals the enabling resolution or ordinance and shall submit the
89 question of the repeal to the qualified voters of such political subdivision. If a majority
90 of the votes cast are in favor of the question to repeal the local option homestead
91 exemption, then such exemption shall be repealed as of January 1 of the year following
92 the certification of such referendum.

93 (C) The General Assembly shall not repeal or modify the provisions or application of
94 this Code section with respect to any one or more political subdivisions that have
95 approved an homestead exemption under this Code section except upon the passage of

96 a general bill by two-third's vote of the General Assembly and the approval of a
97 majority of voters in a statewide referendum calling for such repeal or modification.
98 (c) The surviving spouse of the person who has been granted the exemption provided for
99 in subsection (b) of this Code section shall continue to receive the exemption provided
100 under subsection (b) of this Code section, so long as such surviving spouse continues to
101 occupy the residence as a homestead.
102 (d) A person shall not receive the homestead exemption granted through subsection (b) of
103 this Code section unless such person or person's agent files an application with the tax
104 receiver or tax commissioner of his or her respective local government or governments
105 charged with the duty of receiving returns of property for taxation giving such information
106 relative to receiving such exemption as will enable such tax receiver or tax commissioner
107 to make a determination regarding the initial and continuing eligibility of such person for
108 such exemption or has already filed for and is receiving a homestead exemption and such
109 existing application provides sufficient information to make such determination of
110 eligibility. Such tax receiver or tax commissioner shall provide application forms for this
111 purpose.
112 (e) Exemptions authorized through this Code section shall be claimed and returned as
113 provided in Code Section 48-5-50.1 and shall be automatically renewed from year to year
114 so long as the owner occupies the residence as a homestead. After a person or a person's
115 agent has filed the proper application as provided in subsection (d) of this Code section, it
116 shall not be necessary to make application thereafter for any year, and the exemption shall
117 continue to be allowed to such person. It shall be the duty of any person granted the
118 homestead exemption through this Code section to notify the tax receiver or tax
119 commissioner of the local government or governments in the event such person for any
120 reason becomes ineligible for such exemption.

121 (f) Homestead exemptions granted through subsection (b) of this Code section shall be in
122 addition to and not in lieu of any other homestead exemption applicable to ad valorem
123 taxes.

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

131 **SECTION 3.**

132 This Act shall become effective on January 1, 2025; provided, however, that, if a
133 constitutional amendment which becomes effective on such date and which authorizes the
134 General Assembly to provide by general law for local option homestead exemptions has not
135 been ratified, then this Act shall stand automatically repealed on such date.

136 **SECTION 4.**

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