

The House Committee on Intragovernmental Coordination - Local Legislation offers the following substitute to HB 726:

A BILL TO BE ENTITLED
AN ACT

1 To provide for a new homestead exemption from Fulton County school district ad valorem
2 taxes for educational purposes in an amount equal to the amount by which the current year
3 assessed value of a homestead exceeds the adjusted base year assessed value of such
4 homestead; to provide for definitions; to specify the terms and conditions of the exemption
5 and the procedures relating thereto; to provide for related matters; to provide for
6 applicability; to provide for a referendum, effective dates, and automatic repeal; to repeal
7 conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 (a) As used in this Act, the term:

11 (1) "Property taxes for educational purposes" means all ad valorem taxes for educational
12 purposes levied by, for, or on behalf of the Fulton County school district, but excluding
13 any ad valorem taxes to pay interest on and to retire educational bonded indebtedness.

14 (2) "Adjusted base year value" means the previous adjusted base year value adjusted
15 annually by the lesser of 3 percent or the inflation rate, plus any change in homestead
16 value, provided that no such change in homestead value shall be duplicated as to the same
17 addition or improvement.

18 (3) "Change in homestead value" means value, including any final determination of
19 value on appeal pursuant to Code Section 48-5-311 of the O.C.G.A., as amended, derived
20 from additions or improvements to, or the removal of real property of, the homestead
21 after the lowest base year value is determined.

22 (4) "Homestead" means homestead as defined and qualified in Code Section 48-5-40 of
23 the O.C.G.A., as amended, with the additional qualification that it shall include only the

24 primary residence and not more than five contiguous acres of land immediately
25 surrounding such residence.

26 (5) "Inflation rate" means the Consumer Price Index for all urban consumers, U.S. City
27 Average, all items 1967-100, or a successor index as reported by the United States
28 Department of Labor Bureau of Labor statistics.

29 (6) "Lowest base year value" means:

30 (A) Among the 2016, 2017, and 2018 taxable years, the lowest assessed value,
31 including any final determination of value on appeal pursuant to Code Section 48-5-311
32 of the O.C.G.A., as amended, of the homestead, with such assessed value being
33 multiplied by 1.0423, which number represents inflation rate data for December, 2015,
34 through December, 2017, with respect to an exemption under this Act which is first
35 granted to a person on that person's homestead in the 2019 taxable year or who
36 thereafter reapplies for and is granted such exemption in the 2020 taxable year, or
37 thereafter, solely because of a change in ownership to a joint tenancy with right of
38 survival; or

39 (B) In all other cases, the lower of the assessed value, including any final determination
40 of value on appeal pursuant to Code Section 48-5-311 of the O.C.G.A., as amended, of
41 the homestead, from the taxable year immediately preceding the taxable year in which
42 the exemption under this Act is first granted to the most recent owner of such
43 homestead or the assessed value, including any final determination of value on appeal
44 pursuant to Code Section 48-5-311 of the O.C.G.A., as amended, of the homestead,
45 from the taxable year in which the exemption under this Act is first granted to the most
46 recent owner of such homestead, with respect to an exemption under this Act which is
47 first granted to a person on that person's homestead in the 2020 taxable year or who
48 thereafter reapplies for and is granted such exemption in the 2021 taxable year, or
49 thereafter, solely because of a change in ownership to a joint tenancy with right of
50 survival.

51 (7) "Previous adjusted base year value" means:

52 (A) With respect to an exemption under this Act that is first granted to a person on that
53 person's homestead, the lowest base year value; or

54 (B) In all other cases, the adjusted base year value as calculated in the taxable year
55 immediately preceding the current year.

56 (b) Each resident of the Fulton County school district is granted an exemption on that
57 person's homestead from Fulton County school district property taxes for educational
58 purposes in an amount equal to the amount by which the current year assessed value,
59 including any final determination of value on appeal pursuant to Code Section 48-5-311
60 of the O.C.G.A., as amended, of that homestead exceeds the adjusted base year value of

61 the homestead. The value of that property in excess of such exempted amount shall remain
62 subject to taxation.

63 (c) The surviving spouse of the person who has been granted the exemption provided for
64 in subsection (b) of this section shall continue to receive the exemption provided under
65 subsection (b) of this section, so long as that surviving spouse continues to occupy the
66 home as a residence and homestead.

67 (d) A person shall not receive the homestead exemption granted by subsection (b) of this
68 section unless the person or person's agent files an application with the tax commissioner
69 of Fulton County giving such information relative to receiving such exemption as will
70 enable the governing authority, or its designee, to make a determination regarding the
71 initial and continuing eligibility of such owner for such exemption. The tax commissioner
72 of Fulton County shall provide application forms for this purpose.

73 (e) The exemption shall be claimed and returned as provided in Code Section 48-5-50.1
74 of the O.C.G.A., as amended. The exemption shall be automatically renewed from year
75 to year so long as the owner occupies the residence as a homestead. After a person has
76 filed the proper application as provided in subsection (d) of this section, it shall not be
77 necessary to make application thereafter for any year and the exemption shall continue to
78 be allowed to such person. It shall be the duty of any person granted the homestead
79 exemption under subsection (b) of this section to notify the tax commissioner of Fulton
80 County in the event that person for any reason becomes ineligible for that exemption.

81 (f) The exemption granted by subsection (b) of this section shall not apply to or affect state
82 ad valorem taxes, municipal or independent school district ad valorem taxes for educational
83 purposes, or county ad valorem taxes for county purposes. The homestead exemption
84 granted by subsection (b) of this section shall be in addition to and not in lieu of any other
85 homestead exemption applicable to property taxes for educational purposes.

86 (g) The exemption granted by subsection (b) of this section shall apply to all taxable years
87 beginning on or after January 1, 2019.

88 **SECTION 2.**

89 The county election superintendent of Fulton County shall call and conduct an election as
90 provided in this section for the purpose of submitting this Act to the electors of the Fulton
91 County school district for approval or rejection. The county election superintendent shall
92 conduct such election on November 6, 2018, and shall issue the call and conduct such
93 election as provided by general law. The county election superintendent shall cause the date
94 and purpose of the election to be published once a week for two weeks immediately
95 preceding the date thereof in the official organ of Fulton County. The ballot shall have
96 written or printed thereon the words:

97 " YES Do you approve a new homestead exemption from Fulton County school
 98 district property taxes for educational purposes in the amount of the
 99 NO difference between the current year assessed value of a home and its lowest
 100 base year value, provided that the lowest base year value will be adjusted
 101 yearly by the lesser of 3 percent or the inflation rate?"

102 All persons desiring to vote for approval of the Act shall vote "Yes," and those persons
 103 desiring to vote for rejection of the Act shall vote "No." If more than one-half of the votes
 104 cast on such question are for approval of the Act, Section 1 of this Act shall become of full
 105 force and effect on January 1, 2019. If the Act is not so approved or if the election is not
 106 conducted as provided in this section, Section 1 of this Act shall not become effective and
 107 this Act shall be automatically repealed on the first day of January immediately following
 108 that election date. The expense of such election shall be borne by Fulton County. It shall be
 109 the county election superintendent's duty to certify the result thereof to the Secretary of State.

110 **SECTION 3.**

111 Except as otherwise provided in Section 2 of this Act, this Act shall become effective upon
 112 its approval by the Governor or upon its becoming law without such approval.

113 **SECTION 4.**

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