

House Bill 820 (AS PASSED HOUSE AND SENATE)

By: Representatives Beskin of the 54th, Jones of the 47th, Martin of the 49th, Price of the 48th, Willard of the 51st, and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 2 of Chapter 5 of Title 48 of the Official Code of Georgia Annotated,
2 relating to property tax exemptions and deferral, so as to provide for a new homestead
3 exemption from ad valorem taxes for municipal purposes in an amount equal to the amount
4 by which the current year assessed value of a homestead exceeds the adjusted base year value
5 of such homestead; to provide for definitions; to specify the terms and conditions of the
6 exemption and the procedures relating thereto; to provide for applicability; to provide for
7 related matters; to provide for compliance with constitutional requirements; to provide for
8 a referendum, effective dates, and automatic repeal; to repeal conflicting laws; and for other
9 purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 **SECTION 1.**

12 Article 2 of Chapter 5 of Title 48 of the Official Code of Georgia Annotated, relating to
13 property tax exemptions and deferral, is amended by adding a new Code section to read as
14 follows:

15 "48-5-44.1.

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

17 (1) 'Ad valorem taxes' means all ad valorem taxes for municipal purposes levied by, for,
18 or on behalf of any municipality in this state, but excluding any ad valorem taxes to pay
19 interest on and to retire municipal bonded indebtedness.

20 (2) 'Adjusted base year value' means the previous adjusted base year value adjusted
21 annually by 2.6 percent plus any change in homestead value, provided that no such
22 change in homestead value shall be duplicated as to the same addition or improvement.

23 (3) 'Change in homestead value' means value, including any final determination of value
24 on appeal pursuant to Code Section 48-5-311 derived from additions or improvements
25 to, or the removal of real property of, the homestead after the lowest base year value is
26 determined.

27 (4) 'Homestead' means homestead as defined and qualified in Code Section 48-5-40 with
28 the additional qualification that it shall include only the primary residence and not more
29 than five contiguous acres of land immediately surrounding such residence.

30 (5) 'Lowest base year value' means:

31 (A) Among the 2016, 2017, and 2018 taxable years, the lowest assessed value,
32 including any final determination of value on appeal pursuant to Code Section 48-5-311
33 of the homestead, with such assessed value being multiplied by 1.0423, which number
34 represents inflation rate data for December, 2015, through December, 2017, with
35 respect to an exemption under this Code section which is first granted to a person on
36 such person's homestead in the 2019 taxable year or who thereafter reapplies for and
37 is granted such exemption in the 2020 taxable year, or thereafter, solely because of a
38 change in ownership to a joint tenancy with right of 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 homestead, from the
41 taxable year immediately preceding the taxable year in which the exemption under this
42 Code section is first granted to the most recent owner of such homestead or the assessed
43 value, including any final determination of value on appeal pursuant to Code Section
44 48-5-311 of the homestead, from the taxable year in which the exemption under this
45 Act is first granted to the most recent owner of such homestead, with respect to an
46 exemption under this Code section which is first granted to a person on such person's
47 homestead in the 2020 taxable year or who thereafter reapplies for and is granted such
48 exemption in the 2021 taxable year, or thereafter, solely because of a change in
49 ownership to a joint tenancy with right of survival.

50 (6) 'Previous adjusted base year' means:

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

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

55 (b) When a resident of this state resides in a municipal corporation that is located in more
56 than one county, that levies a sales tax for the purposes of a metropolitan area system of
57 public transportation, and that has within its boundaries an independent school system, the
58 homestead of each such resident actually occupied by the owner as a residence and
59 homestead shall be exempted from ad valorem taxes for municipal purposes in an amount
60 equal to the amount by which the current year assessed value, including any final
61 determination of value on appeal pursuant to Code Section 48-5-311 of such homestead
62 exceeds the adjusted base year value of the homestead. The value of such property in
63 excess of such exempted amount shall remain subject to taxation.

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

67 (d) A person shall not receive the homestead exemption granted by subsection (b) of this
68 Code section unless such person or person's agent files an application with the tax receiver
69 or tax commissioner of his or her respective municipality charged with the duty of
70 receiving returns of property for taxation giving such information relative to receiving such
71 exemption as will enable such tax receiver or tax commissioner to make a determination
72 regarding the initial and continuing eligibility of such person for such exemption or has
73 already filed for and is receiving a homestead exemption and such existing application
74 provides sufficient information to make such determination of eligibility. Such tax receiver
75 or tax commissioner shall provide application forms for this purpose.

76 (e) The exemption shall be claimed and returned as provided in Code Section 48-5-50.1.
77 Such exemption shall be automatically renewed from year to year so long as the owner
78 occupies the residence as a homestead. After a person or a person's agent has filed the
79 proper application as provided in subsection (d) of this Code section, it shall not be
80 necessary to make application thereafter for any year and the exemption shall continue to
81 be allowed to such person. It shall be the duty of any person granted the homestead
82 exemption under subsection (b) of this Code section to notify the tax receiver or tax
83 commissioner of the municipality in the event such person for any reason becomes
84 ineligible for such exemption.

85 (f)(1) Except as otherwise provided in paragraph (2) of this subsection, the homestead
86 exemption granted by subsection (b) of this Code section shall be in addition to and not
87 in lieu of any other homestead exemption applicable to ad valorem taxes for municipal
88 purposes.

89 (2) The homestead exemption granted by subsection (b) of this Code section shall be in
90 lieu of and not in addition to any other base year assessed value or adjusted base year
91 value homestead exemption provided by local Act which is applicable to ad valorem
92 taxes for municipal purposes.

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

95 (h) Any municipal corporation described in subsection (b) of this Code section shall be
96 exempt from the provisions of subsections (c) and (e) of Code Section 48-5-32.1."

97 **SECTION 2.**

98 In accordance with the requirements of Article VII, Section II, Paragraph II(a)(1) of the
99 Constitution of the State of Georgia, this Act shall not become law unless it receives the
100 requisite two-thirds' majority vote in both the Senate and the House of Representatives.

101 **SECTION 3.**

102 The Secretary of State shall call and conduct an election as provided in this section for the
103 purpose of submitting this Act to the electors of the entire state for approval or rejection. The
104 Secretary of State shall conduct such election on November 6, 2018, and shall issue the call
105 and conduct such election as provided by general law. The Secretary of State shall cause the
106 date and purpose of the election to be published once a week for two weeks immediately
107 preceding the date thereof in the official organ of each county in the state. The ballot shall
108 have written or printed thereon the words:

109 "() YES Do you approve a new homestead exemption in a municipal corporation that
110 () NO is located in more than one county, that levies a sales tax for the purposes
111 of a metropolitan area system of public transportation, and that has within
112 its boundaries an independent school system, from ad valorem taxes for
113 municipal purposes in the amount of the difference between the current year
114 assessed value of a home and the adjusted base year value, provided that the
115 lowest base year value will be adjusted yearly by 2.6 percent?"

116 All persons desiring to vote for approval of the Act shall vote "Yes," and all persons desiring
117 to vote for rejection of the Act shall vote "No." If more than one-half of the votes cast on
118 such question are for approval of the Act, Section 1 of this Act shall become of full force and
119 effect on January 1, 2019. If the Act is not so approved or if the election is not conducted
120 as provided in this section, Section 1 of this Act shall not become effective and this Act shall
121 be automatically repealed on the first day of January immediately following such election
122 date. It shall be the duty of each county election superintendent to certify the results thereof
123 to the Secretary of State.

124 **SECTION 4.**

125 Except as otherwise provided in Section 3 of this Act, this Act shall become effective upon
126 its approval by the Governor or upon its becoming law without such approval.

127 **SECTION 5.**

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