

Senate Bill 522

By: Senator Ladd of the 41st

A BILL TO BE ENTITLED  
AN ACT

1 To amend Article 2A of Chapter 8 of Title 48 of the Official Code of Georgia Annotated,  
2 relating to the homestead option sales and use tax, so as to clarify and change certain  
3 provisions regarding the purposes for which such tax may be levied and collected and  
4 proceeds expended; to clarify and change certain provisions regarding expenditure of  
5 proceeds; to clarify and change certain provisions regarding the submission of tax imposition  
6 and discontinuation questions to voters; to provide an effective date; to repeal conflicting  
7 laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 Article 2A of Chapter 8 of Title 48 of the Official Code of Georgia Annotated, relating to the  
11 homestead option sales and use tax, is amended by striking paragraph (1) of subsection (c)  
12 of Code Section 48-8-102, relating to levy of the tax and use of proceeds, and inserting in its  
13 place a new paragraph (1) to read as follows:

14 "(c)(1) Except as otherwise provided in paragraph (2) of this subsection, the proceeds of  
15 the sales and use tax levied and collected under this article shall be used only for the  
16 ~~purposes of funding capital outlay projects and~~ purpose of funding services within a  
17 special district equal to the revenue lost to the homestead exemption as provided in Code  
18 Section 48-8-104 ~~and, in~~. In addition to that purpose, the county governing authority  
19 may, in its discretion and subject to the limitations described in subsection (c) of Code  
20 Section 48-8-104, use such funds for the purpose of funding capital outlay projects. In  
21 the event excess funds remain following the expenditure for such purpose or purposes,  
22 such excess funds shall be expended as provided in subparagraph (c)(2)(C) of Code  
23 Section 48-8-104."



1 ballot questions calling for the levy or imposition of any other sales and use tax which are  
2 to appear on the same ballot."

3 **SECTION 3.**

4 Said article is further amended by striking paragraph (2) of subsection (c) of Code Section  
5 48-8-104, relating to administration of the tax and expenditure of proceeds, and inserting in  
6 its place a new paragraph (2) to read as follows:

7 "(2) Except for the percentage provided in paragraph (1) of this subsection, the remaining  
8 proceeds of the sales and use tax shall be distributed to the governing authority of the  
9 county whose geographical boundary is conterminous with that of the special district. As  
10 a condition precedent for the authority to levy the sales and use tax or to collect any  
11 proceeds from the tax authorized by this article for the year following the first complete  
12 calendar year in which it is levied and for all subsequent years except the year following  
13 the year in which the sales and use tax is terminated under Code Section 48-8-106, the  
14 county whose geographical boundary is conterminous with that of the special district  
15 shall, except as otherwise provided in subsection (c) of Code Section 48-8-102, expend  
16 such proceeds as follows:

17 (A) A portion of such proceeds ~~shall~~ may be expended for the purpose of funding  
18 capital outlay projects as follows:

19 (i) The governing authority of the county whose geographical boundary is  
20 conterminous with that of the special district ~~shall~~ may establish the capital factor  
21 ~~which shall not exceed~~ between the range of zero to a maximum of .200; and

22 (ii) ~~Capital~~ In the event the capital factor is established at a figure other than zero,  
23 capital outlay projects shall be funded in an amount equal to the product of the capital  
24 factor multiplied by the net amount of the sales and use tax proceeds collected under  
25 this article during the previous calendar year;

26 (B) A portion of such proceeds shall be expended for the purpose of funding services  
27 within the special district equal to the revenue lost to the homestead exemption as  
28 provided in Code Section 48-8-104 as follows:

29 (i) The homestead factor shall be calculated by multiplying the quantity 1.000 minus  
30 the capital factor times an amount equal to the net amount of sales and use tax  
31 collected in the special district pursuant to this article for the previous calendar year,  
32 and then dividing by the taxes levied for county purposes on only that portion of the  
33 county tax digest that represents net assessments on qualified homestead property  
34 after all other homestead exemptions have been applied, rounding the result to three  
35 decimal places;

1 (ii) If the homestead factor is less than or equal to 1.000, the amount of homestead  
 2 exemption created under this article on qualified homestead property shall be equal  
 3 to the product of the homestead factor multiplied times the net assessment of each  
 4 qualified homestead remaining after all other homestead exemptions have been  
 5 applied; and

6 (iii) If the homestead factor is greater than 1.000, the homestead exemption created  
 7 by this article on qualified homestead property shall be equal to the net assessment of  
 8 each homestead remaining after all other homestead exemptions have been applied;  
 9 and

10 (C) If any of such proceeds remain following the distribution provided for in  
 11 subparagraphs (A) and (B) of this paragraph:

12 (i) The millage rate levied for county purposes shall be rolled back in an amount  
 13 equal to such excess divided by the net taxable digest for county purposes after  
 14 deducting all homestead exemptions including the exemption under this article; and

15 (ii) In the event the rollback created by division (i) of this subparagraph exceeds the  
 16 millage rate for county purposes, the governing authority of the county whose  
 17 boundary is conterminous with the special district shall be authorized to expend the  
 18 surplus funds for funding all or any portion of those services which are to be provided  
 19 by such governing authorities pursuant to and in accordance with Article IX, Section  
 20 II, Paragraph III of the Constitution of this state."

#### 21 **SECTION 4.**

22 Said article is further amended by striking subsection (a) of Code Section 48-8-106, relating  
 23 to submission of tax discontinuation questions to voters, and inserting in its place a new  
 24 subsection (a) to read as follows:

25 "(a) Whenever the governing authority of any county whose geographic boundary is  
 26 conterminous with that of the special district in which the sales and use tax authorized by  
 27 this article is being levied wishes to submit to the electors of the special district the  
 28 question of whether the sales and use tax authorized by Code Section 48-8-102 shall be  
 29 discontinued, the governing authority shall notify the election superintendent of the county  
 30 whose geographical boundary is conterminous with that of the special district by  
 31 forwarding to the superintendent a copy of a resolution of the governing authority calling  
 32 for the referendum election. Upon receipt of the resolution, it shall be the duty of the  
 33 election superintendent to issue the call for an election for the purpose of submitting the  
 34 question of discontinuing the levy of the sales and use tax to the voters of the special  
 35 district for approval or rejection. The election superintendent shall issue the call and shall  
 36 conduct the election on a date and in the manner authorized under Code Section 21-2-540.

1 Such election shall only be conducted on the date of and in conjunction with a referendum  
 2 provided for by local Act on the question of whether to repeal the homestead exemption  
 3 within such county which is funded from the proceeds of the sales and use tax levied and  
 4 collected pursuant to this article. The election superintendent shall cause the date and  
 5 purpose of the election to be published once a week for two weeks immediately preceding  
 6 the date of the election in the official organ of such county. The ballot shall have written  
 7 or printed thereon the following:

8 ( ) YES Shall the 1 percent retail homestead option sales and use tax being levied  
 9 within the special district within \_\_\_\_\_ County for the purposes  
 10 ( ) NO ~~of funding capital outlay projects and~~ purpose of funding services to  
 11 replace revenue lost to an additional homestead exemption of up to 100  
 12 percent of the assessed value of homesteads from county taxes for county  
 13 purposes and, in the county's discretion, for the additional purpose of  
funding capital outlay projects, be terminated?"

14 **SECTION 5.**

15 This Act shall become effective upon its approval by the Governor or upon its becoming law  
 16 without such approval.

17 **SECTION 6.**

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