

The House Committee on Ways and Means offers the following substitute to HB 299:

A BILL TO BE ENTITLED  
AN ACT

1 To amend Code Section 48-5-52 of the Official Code of Georgia Annotated, relating to  
2 homestead exemptions from school district ad valorem taxation for educational purposes for  
3 residents who are 62 years of age or older, so as to change the income limitation provisions  
4 of such exemption; to specify certain terms, conditions, and procedures relating thereto; to  
5 provide for applicability; to provide for effective dates; to provide for a special election; to  
6 provide for automatic repeal under certain circumstances; to repeal conflicting laws; and for  
7 other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 SECTION 1.

10 Code Section 48-5-52 of the Official Code of Georgia Annotated, relating to homestead  
11 exemptions from school district ad valorem taxation for educational purposes for residents  
12 who are 62 years of age or older, is amended by striking subsection (a) and inserting in its  
13 place a new subsection (a) to read as follows:

14 "(a) The homestead of each resident of each independent school district and of each county  
15 school district within this state who is 62 years of age or ~~over~~ older and ~~who~~, for the  
16 purposes of all tax years beginning on or after January 1, ~~1988~~ 2003, ~~has a gross~~ whose net  
17 ~~income from all sources, including the income of all members of the family residing~~  
18 together with the net income of the spouse who also occupies and resides within the at such  
19 ~~homestead, not exceeding \$10,000.00 per annum~~ as net income is defined by Georgia law  
20 from all sources, except as otherwise provided in this subsection, does not exceed  
21 \$10,000.00 for the immediately preceding taxable year for income tax purposes, is  
22 exempted from all ad valorem taxes for educational purposes levied by, for, or on behalf  
23 of any such school system, including taxes to retire school bond indebtedness. For the  
24 purposes of this subsection, net income shall not include income received as retirement,  
25 survivor, or disability benefits under the federal Social Security Act or under any other  
26 public or private retirement, disability, or pension system, except such income which is in

1 excess of the maximum amount authorized to be paid to an individual and his or her spouse  
 2 under the federal Social Security Act. Income from such sources in excess of such  
 3 maximum amount shall be included as net income for the purposes of this subsection. The  
 4 exemption shall not exceed \$10,000.00 of the homestead's assessed value. Except as  
 5 otherwise specifically provided by law, the value of that property in excess of such  
 6 exempted amount shall remain subject to taxation."

## 7 SECTION 2.

8 Unless prohibited by the federal Voting Rights Act of 1965, as amended, the Secretary of  
 9 State shall call and conduct a special election as provided in this section for the purpose of  
 10 submitting this Act to the electors of the State of Georgia for approval or rejection. The  
 11 Secretary of State shall conduct that special election on the date of the November, 2002,  
 12 state-wide general election. The Secretary of State shall issue the call and conduct that  
 13 special election as provided by general law. The Secretary of State shall cause the date and  
 14 purpose of the special election to be published in the official organ of each county in the state  
 15 once a week for two weeks immediately preceding the date of the special election. The  
 16 ballot shall have written thereon the following:

17 "( ) YES Shall the Act be approved which changes the state-wide \$10,000.00  
 18 homestead exemption from all school district ad valorem taxation for  
 19 ( ) NO educational purposes for persons 62 years of age or older by changing the  
 20 \$10,000.00 gross household income limitation to a \$10,000.00 net income,  
 21 excluding certain retirement income, of the applicant and spouse thereof?"

22 All persons desiring to vote for approval of the Act shall vote "Yes," and those persons  
 23 desiring to vote for rejection of the Act shall vote "No." If more than one-half of the votes  
 24 cast on such question are for approval of the Act, then Section 1 of this Act shall become  
 25 effective on January 1, 2003, and shall be applicable to all taxable years beginning on or after  
 26 that date. If the Act is not so approved or if the election is not conducted as provided in this  
 27 section, Section 1 of this Act shall not become effective and this Act shall be automatically  
 28 repealed on the first day of January immediately following that election date.

## 29 SECTION 3.

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

## 32 SECTION 4.

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