

House Bill 1544

By: Representatives Reece of the 11th, Snow of the 1st, Lane of the 101st, Parham of the 94th,
Jamieson of the 22nd, and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 36 of the Official Code of Georgia Annotated, relating to local government,
2 so as to provide for education property tax relief adjustments and grants; to provide for
3 definitions; to provide for procedures, conditions, and limitations; to provide for powers,
4 duties, and authority of the state revenue commissioner and the Department of Revenue; to
5 provide for related matters; to provide for a contingent effective date; to provide for
6 automatic repeal under certain circumstances; to repeal conflicting laws; and for other
7 purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 style="text-align:center">**SECTION 1.**

10 Title 36 of the Official Code of Georgia Annotated, relating to local government, is amended
11 by adding a new chapter immediately following Chapter 89, to be designated Chapter 89A,
12 to read as follows:

13 style="text-align:center">"CHAPTER 89A

14 36-89A-1.

15 As used in this chapter, the term:

16 (1) 'Applicable rollback' means a subtraction from an ad valorem millage rate pursuant
17 to Code Section 20-2-334 in a local school system that receives a state school tax credit.

18 (2) 'Eligible assessed value' means a certain stated amount of the assessed value of each
19 qualified homestead in the state. The amount of the eligible assessed value for any given
20 year shall be fixed in that year's General Appropriations Act.

21 (3) 'Fiscal authority' means the individual authorized to collect ad valorem taxes for a
22 county or municipality which levies ad valorem taxes.

23 (4) 'Qualified homestead' means a homestead qualified for any exemption, state, county,
24 or school, authorized under Code Section 48-5-44.

1 (5) 'School millage rate' means the net ad valorem tax millage rate, after deducting
 2 applicable rollbacks, levied on behalf of a county or independent school district for
 3 educational purposes and applying to qualified homesteads in the county or independent
 4 school district, not including any millage levied for purposes of bonded indebtedness and
 5 not including any millage levied for county or municipal purposes.

6 (6) 'State millage rate' means the state millage levy.

7 36-89A-2.

8 In each year the General Assembly shall appropriate funds for education tax relief grants
 9 to county and independent school districts, in order to provide for more effective regulation
 10 and management of the finance and fiscal administration of the state and pursuant to and
 11 in furtherance of the provisions of Article III, Section IX, Paragraph II(c) of the
 12 Constitution; Article VII, Section IIB of the Constitution; Article VII, Section III,
 13 Paragraph III of the Constitution; Article VIII, Section I, Paragraph I of the Constitution;
 14 and other provisions of the Constitution.

15 36-89A-3.

16 In each year the General Assembly shall appropriate to the Department of Revenue funds
 17 from the education tax relief account to provide education tax relief grants to county and
 18 independent school districts. When funds are so appropriated, the General Appropriations
 19 Act shall specify the amount appropriated.

20 36-89A-4.

21 (a)(1) When funds are appropriated as provided in Code Section 36-89A-3, such grants
 22 shall be allotted to each county and independent school district in the state as provided
 23 in paragraph (2) of this subsection.

24 (2) Immediately following the actual preparation of ad valorem property tax bills, each
 25 county or independent school district's fiscal authority shall notify the Department of
 26 Revenue of the total full-time equivalent count of the county or independent school
 27 district. The department shall distribute the grant amounts to each school system on a pro
 28 rata basis according to the full-time equivalent count of each such system.

29 (3) Credit amounts computed under paragraphs (1) and (2) of this subsection shall be
 30 applied to reduce the otherwise applicable tax liability on a dollar-for-dollar basis, but
 31 the credit granted shall not in any case exceed the amount of the otherwise applicable tax
 32 liability after the granting of all applicable homestead exemptions and after the granting
 33 of all applicable millage rollbacks.

1 (b) The grant of funds to each county or independent school district shall be conditioned
2 on the county or independent school district's fiscal authority reducing each qualified
3 homestead's otherwise applicable liability for school taxes by a credit amount calculated
4 in subsection (a) of this Code section.

5 (c) Each fiscal authority shall show the credit amount on the tax bill, together with a
6 prominent notice in substantially the following form: 'This reduction in your bill is the
7 result of education tax relief enacted by the General Assembly of the State of Georgia.'

8 36-89A-5.

9 (a) The state revenue commissioner shall administer this chapter and shall adopt rules and
10 regulations for the administration of this chapter, including specific instructions to county
11 and independent school districts. The state revenue commissioner may adopt procedures
12 for partial or installment distribution of grants when the commissioner determines that a
13 full distribution will only result in the necessity of return of funds under subsection (b) of
14 this Code section.

15 (b) If any excess funds remain from the funds granted to any county or independent school
16 district under this chapter, after the county or independent school district complies with the
17 credit requirements of Code Section 38-89A-4, such excess funds shall be returned by the
18 county or independent school district to the Department of Revenue.

19 36-89A-6.

20 Any credit under this chapter which is erroneously or illegally granted shall be recoverable
21 by the county or independent school district granting such credit in the same manner as any
22 other delinquent tax."

23 SECTION 2.

24 This Act shall become effective on January 1, 2005; provided, however, that this Act shall
25 only become effective on January 1, 2005, upon the ratification of a resolution at the
26 November, 2004, state-wide general election, which resolution amends the Constitution of
27 the State of Georgia so as to provide for tax relief with respect to ad valorem property taxes
28 for educational purposes through imposition of a 1 percent state sales and use tax. If such
29 resolution is not ratified, this Act shall not become effective and shall stand repealed in its
30 entirety on January 1, 2005.

31 SECTION 3.

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