

House Resolution 1031

By: Representatives Powell of the 29th and Levitas of the 82nd

A RESOLUTION

1 Proposing an amendment to the Constitution so as to provide for a state-wide base value
 2 homestead exemption; to provide for definitions; to specify the terms and conditions of the
 3 exemption and procedures relating thereto; to freeze the valuations of nonhomestead real
 4 property; to provide for definitions; to provide for procedures; to provide for applicability;
 5 to provide for the submission of this amendment for ratification or rejection; and for other
 6 purposes.

7 BE IT RESOLVED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 SECTION 1.

9 Article VII, Section II of the Constitution is amended by adding new Paragraphs to read as
 10 follows:

11 "Paragraph VI. *Base year assessed value homestead exemption.* (a) For purposes of this
 12 Paragraph, the term:

13 (1) 'Ad valorem taxes' means all state ad valorem taxes; all county ad valorem taxes
 14 for county purposes levied by, for, or on behalf of a county, including, but not limited to,
 15 taxes to pay interest on and to retire county bonded indebtedness; all county school
 16 district and independent school district taxes for educational purposes levied by, for, or
 17 on behalf of a school district, including, but not limited to, taxes to pay interest on and
 18 to retire school district bonded indebtedness; and all municipal taxes for municipal
 19 purposes levied by, for, or on behalf of a municipality, including, but not limited to, taxes
 20 to pay interest on and to retire municipal bonded indebtedness.

21 (2) 'Base value' means the 2002 assessed value of the homestead property. With respect
 22 to homestead property added to the digest after 2002, base value means the initial
 23 assessed value of such homestead.

24 (3) 'Homestead' means the homestead as defined and qualified by general law for other
 25 general law homestead exemptions.

26 (b) Each resident of a county is granted an exemption on that person's homestead from
 27 all ad valorem taxes in an amount equal to the amount by which the current year assessed

1 value of that homestead exceeds the base value of that homestead. This exemption shall
 2 not apply to taxes assessed on improvements to such homestead or additional land that is
 3 added to such homestead after January 1 of the base year. If any real property is removed
 4 from such homestead, the base value shall be adjusted to reflect such removal, and the
 5 exemption shall be recalculated accordingly. The value of that property in excess of such
 6 exempted amount shall remain subject to taxation.

7 (c) A person shall not receive the homestead exemption granted by this Paragraph unless
 8 such person or person's agent files an application with the tax commissioner of the county
 9 giving such information relative to receiving such exemption as will enable the tax
 10 commissioner to make a determination regarding the initial and continuing eligibility of
 11 such person for such exemption. The tax commissioner of the county shall provide
 12 application forms for this purpose.

13 (d) The exemption shall be claimed and returned as provided by general law for other
 14 homestead exemptions. The exemption shall be automatically renewed from year to year
 15 so long as the person granted the homestead exemption under this Paragraph occupies the
 16 residence as a homestead. After a person has filed the proper application as provided in
 17 this Paragraph, it shall not be necessary to make application thereafter for any year, and the
 18 exemption shall continue to be allowed to such person. It shall be the duty of any person
 19 granted the homestead exemption under this Paragraph to notify the tax commissioner of
 20 the county in the event that person for any reason becomes ineligible for that exemption.

21 (e) The homestead exemption granted by this Paragraph shall be in addition to and not
 22 in lieu of any other homestead exemption.

23 (f) The exemption granted by this Paragraph shall apply to all taxable years beginning
 24 on or after January 1, 2009.

25 Paragraph VII. *Limitations on assessed value increases for nonhomestead real*
 26 *property.* (a) For purposes of this Paragraph, the term:

27 (1) 'Ad valorem taxes' means all state ad valorem taxes; all county ad valorem taxes
 28 for county purposes levied by, for, or on behalf of a county, including, but not limited to,
 29 taxes to pay interest on and to retire county bonded indebtedness; all county school
 30 district and independent school district taxes for educational purposes levied by, for, or
 31 on behalf of a school district, including, but not limited to, taxes to pay interest on and
 32 to retire school district bonded indebtedness; and all municipal taxes for municipal
 33 purposes levied by, for, or on behalf of a municipality, including, but not limited to, taxes
 34 to pay interest on and to retire municipal bonded indebtedness.

35 (2) 'Fair market value' means the amount a knowledgeable buyer would pay for the
 36 nonhomestead real property and a willing seller would accept for the nonhomestead real
 37 property at an arm's length, bona fide sale of such nonhomestead real property.

1 (3) 'Nonhomestead real property' means any business or commercial real property or
2 any other real property which does not qualify as a homestead.

3 (b)(1) The assessed value of nonhomestead real property for ad valorem tax purposes
4 shall not be increased beyond the valuation established for 2002. With respect to
5 nonhomestead real property added to the digest after 2002, the assessed value of such
6 nonhomestead real property shall not be increased beyond the initial assessed value of
7 such nonhomestead real property. Additions or improvements to such nonhomestead real
8 property shall be appraised for ad valorem tax purposes at their fair market value and
9 shall be added to the owner's valuation amount as established under this subparagraph.

10 (2) If such nonhomestead real property is sold or transferred to another person, such
11 nonhomestead real property shall be appraised for ad valorem tax purposes at its fair
12 market value.

13 (c) The limitations provided under this Paragraph shall apply to all taxable years
14 beginning on or after January 1, 2009.

15 (d) The General Assembly shall provide by general law for the implementation and
16 administration of this Paragraph."

17 SECTION 2.

18 The above proposed amendment to the Constitution shall be published and submitted as
19 provided in Article X, Section I, Paragraph II of the Constitution. The ballot submitting the
20 above proposed amendment shall have written or printed thereon the following:

21 "() YES Shall the Constitution of Georgia be amended so as to provide for a
22 () NO state-wide base value homestead exemption from all ad valorem taxes in an
23 amount equal to the amount by which the current year assessed value of a
24 homestead exceeds the base value of such homestead and to freeze
25 nonhomestead real property values at their 2002 valuations?"

26 All persons desiring to vote in favor of ratifying the proposed amendment shall vote "Yes."
27 All persons desiring to vote against ratifying the proposed amendment shall vote "No." If
28 such amendment shall be ratified as provided in said Paragraph of the Constitution, it shall
29 become a part of the Constitution of this state.