

## A RESOLUTION

1 Proposing an amendment to the Constitution so as to provide for base-value exemptions from  
 2 ad valorem taxes for county, municipal, or county or independent school district purposes  
 3 for homestead and nonhomestead property in an amount equal to the amount by which the  
 4 current-year assessed value of the property exceeds the base value of such property in any  
 5 local taxing jurisdictions in which such exemptions are approved in a referendum; to provide  
 6 for a short title; to provide for definitions; to specify the terms and conditions of the  
 7 exemptions and procedures relating thereto; to provide for applicability; to require voter  
 8 approval of changes in the maximum millage rate for school district ad valorem taxes; to  
 9 provide for the submission of this amendment for ratification or rejection; and for other  
 10 purposes.

11 BE IT RESOLVED BY THE GENERAL ASSEMBLY OF GEORGIA:

**SECTION 1.**

12 This Resolution shall be known and may be cited as the "Bringing Equity Statewide to  
 13 Taxation Amendment."  
 14

**SECTION 2.**

15 Article VII, Section II of the Constitution is amended by adding a new Paragraph to read as  
 16 follows:  
 17

18 "Paragraph VI. *Base-value exemptions for homestead and nonhomestead property.* (a)

19 For purposes of this Paragraph, the term:

20 (1) 'Appraisal,' 'appraisal report,' 'appraiser,' or ' appraiser classification' shall have the  
 21 same meaning as those terms are defined by general law relating to appraiser licensing.

22 (2) 'Appraisal valuation' means an estimate by an appraiser of applicable appraiser  
 23 classification of the value of real estate or real property based on an appraisal.

24 (3) 'Base value' of a homestead means the purchase price of the homestead property  
 25 paid by the most recent owner of such homestead; provided, however, that if the purchase  
 26 price of the homestead cannot be determined pursuant to subparagraph (c) of this

27 Paragraph, then 'base value' shall mean the assessed value of the homestead, as  
28 determined pursuant to subparagraph (d) of this Paragraph. 'Base value' of nonhomestead  
29 property means the 2002 assessed value of the nonhomestead property on January 1,  
30 2011; provided, however, that for any sale, exchange, or other transfer of nonhomestead  
31 property after January 1, 2011, 'base value' shall mean the purchase price of the  
32 nonhomestead property, except that if the purchase price of the nonhomestead property  
33 cannot be determined pursuant to subparagraph (c) of this Paragraph, then 'base value'  
34 shall be determined pursuant to subparagraph (d) of this Paragraph.

35 (4) 'County ad valorem taxes' means all ad valorem taxes for county purposes levied  
36 by, for, or on behalf of a county, including, but not limited to, taxes to pay interest on and  
37 to retire county bonded indebtedness.

38 (5) 'Fair market value' means the compensation that a knowledgeable buyer would pay  
39 for a homestead property or nonhomestead property and a willing seller would accept for  
40 the homestead property or nonhomestead property at an arm's length, bona fide sale of  
41 such homestead or nonhomestead property.

42 (6) 'Homestead' means the homestead as defined and qualified by general law for other  
43 general law homestead exemptions, with the additional qualification that it shall include  
44 not more than five contiguous acres of homestead property.

45 (7) 'Immediate family member' means the spouse, child, stepchild, child's spouse,  
46 stepchild's spouse, grandchild, stepgrandchild, grandchild's spouse, stepgrandchild's  
47 spouse, parent, stepparent, parent-in-law, sibling-in-law, niece, nephew,  
48 stepparent-in-law, sibling, or stepsibling of the seller.

49 (8) 'Local taxing jurisdiction's appraisal valuation' or 'local taxing jurisdiction's  
50 valuation' means an appraisal valuation or valuation obtained by a county, municipality,  
51 or county or independent school district pursuant to this Paragraph.

52 (9) 'Municipal ad valorem taxes' means all ad valorem taxes for municipal purposes  
53 levied by, for, or on behalf of a municipality, including, but not limited to, taxes to pay  
54 interest on and to retire municipal bonded indebtedness.

55 (10) 'Nonhomestead property' means any business or commercial real property or other  
56 real property which does not qualify as a homestead.

57 (11) 'Purchase price' means the amount of total compensation that a buyer pays to  
58 acquire a homestead or nonhomestead property from a willing seller in an arm's length,  
59 bona fide sale of such homestead or nonhomestead property. The term 'total  
60 compensation' shall include, without limitation, any in-kind transfer, land transfer, or  
61 other transfer or exchange of a thing of value given, directly or indirectly, to acquire such  
62 homestead property or nonhomestead property.

63       (12) 'School district ad valorem taxes' means all ad valorem taxes for educational  
64 purposes levied by, for, or on behalf of a county or independent school district, including,  
65 but not limited to, taxes to pay interest on and to retire school district bonded  
66 indebtedness.

67       (13) 'Taxpayer' means a person or entity subject to county, municipal, or school district  
68 ad valorem taxes for real property owned by the person or entity as a homestead or as  
69 nonhomestead property.

70       (14) 'Taxpayer's appraisal valuation' or 'taxpayer's valuation' means an appraisal  
71 valuation or valuation obtained by a taxpayer pursuant to this Paragraph.

72 (b)(1) Each taxpayer is granted an exemption on that taxpayer's homestead and  
73 nonhomestead property from all county ad valorem taxes, municipal ad valorem taxes,  
74 or school district ad valorem taxes in an amount equal to the amount by which the  
75 current-year assessed value of that homestead or nonhomestead property exceeds the base  
76 value of that homestead or nonhomestead property.

77       (2) This exemption shall not apply to taxes assessed on improvements to such  
78 homestead or nonhomestead property or to additional land that is added to such  
79 homestead or nonhomestead property after January 1 of the base year. If any real  
80 property is removed from such homestead or nonhomestead property, then the base value  
81 shall be adjusted by the county tax commissioner or the municipal tax official, as  
82 appropriate, to reflect such removal, and any exemption shall be recalculated accordingly.  
83 The value of that property in excess of such exempted amount shall remain subject to  
84 taxation; provided, however, that the excess amount as determined by the tax  
85 commissioner or the municipal tax official, as appropriate, shall be subject to the  
86 provisions of subparagraph (d) of this Paragraph.

87 (c)(1) A taxpayer shall not receive an exemption granted by this Paragraph unless such  
88 taxpayer or taxpayer's agent files an application with the tax commissioner of the county  
89 or the municipal tax official, as appropriate, giving such information relative to receiving  
90 such exemption as will enable the tax commissioner or the municipal tax official, as  
91 appropriate, to make a determination regarding the correctness of the base value and the  
92 initial and continuing eligibility of such taxpayer for such exemption. The tax  
93 commissioner of the county or the municipal tax official, as appropriate, shall provide  
94 application forms for this purpose.

95       (2) In order for a taxpayer to receive a base value in the amount of the purchase price  
96 of homestead or nonhomestead property, the taxpayer shall provide to the tax  
97 commissioner or the municipal tax official, as appropriate, copies of the closing  
98 documents regarding the sale of the property or other proof which, in the objective  
99 judgment of the tax commissioner or the municipal tax official, as appropriate, is

100 sufficient to validate such purchase price. The General Assembly shall be authorized to  
101 provide by general law for additional items of proof which shall be sufficient to establish  
102 the purchase price for purposes of this subparagraph.

103 (d) For purposes of determining valuation pursuant to this subparagraph and  
104 subparagraphs (b)(2), (e), and (f) of this Paragraph, the local taxing jurisdiction shall obtain  
105 an appraisal valuation and shall provide such appraisal valuation to the taxpayer in a  
106 written appraisal report documenting the fair market value of the property, subject to the  
107 following conditions:

108 (1) If the taxpayer disagrees with the local taxing jurisdiction's appraisal valuation, then  
109 the taxpayer, within 45 days of receipt of the local taxing jurisdiction's appraisal report,  
110 may obtain a separate appraisal valuation; otherwise, the local taxing jurisdiction's  
111 appraisal valuation shall become the valuation of the homestead or nonhomestead  
112 property for purposes of this Paragraph;

113 (2) If the taxpayer obtains an appraisal valuation under this subparagraph within 45  
114 days of receipt of the local taxing jurisdiction's appraisal report and if the difference  
115 between the taxpayer's appraisal valuation and the local taxing jurisdiction's appraisal  
116 valuation is 20 percent or less, then the valuation of such property for the purpose of any  
117 exemption granted by this Paragraph shall be the taxpayer's appraisal valuation; provided,  
118 however, that before the taxpayer's appraisal valuation shall become effective, the  
119 taxpayer shall provide the taxpayer's appraisal valuation to the appropriate local taxing  
120 jurisdiction via certified mail, return receipt requested, via priority mail, delivery  
121 confirmation requested, or via statutory overnight delivery; and

122 (3) If the difference between the taxpayer's appraisal valuation and the local taxing  
123 jurisdiction's appraisal valuation exceeds 20 percent and if the local taxing jurisdiction  
124 does not agree to the valuation determined by the taxpayer's appraisal valuation, then the  
125 local taxing jurisdiction and taxpayer shall agree to an arbitrator or shall apply to the  
126 superior court of the county, on a form approved by the clerk of the court, to appoint an  
127 arbitrator. The cost of the application shall be borne by the local taxing jurisdiction,  
128 which cost the General Assembly is authorized to establish by general law but which  
129 shall otherwise be established by the clerk of the superior court of each county. Unless  
130 the General Assembly shall provide by general law otherwise, such cost shall not exceed  
131 \$50.00. The arbitrator shall be appointed by the court to select which of the two appraisal  
132 valuations is closer to the fair market value of the homestead or nonhomestead property,  
133 and the closer appraisal valuation shall become the valuation of the homestead or  
134 nonhomestead property for purposes of this Paragraph. The cost for the service of the  
135 arbitrator shall be borne equally by the taxpayer and by the local taxing jurisdiction.

136 (e) At any time after the taxpayer's initial base value is determined pursuant to this  
137 Paragraph, a taxpayer may seek a new determination of value of the homestead or  
138 nonhomestead property. In such case, the taxpayer shall obtain an appraisal valuation and  
139 shall provide such appraisal valuation to the local taxing jurisdiction in a written appraisal  
140 report documenting the fair market value of the property, subject to the following  
141 conditions:

142 (1) If the taxing jurisdiction disagrees with the taxpayer's appraisal valuation, then the  
143 taxing jurisdiction, within 45 days of receipt of the taxpayer's appraisal report, may obtain  
144 a separate appraisal valuation; otherwise, the taxpayer's appraisal valuation shall become  
145 the valuation of the homestead or nonhomestead property for purposes of this Paragraph;

146 (2) If the taxing jurisdiction obtains an appraisal valuation under this subparagraph  
147 within 45 days of receipt of the taxpayer's appraisal report and if the difference between  
148 the taxpayer's appraisal valuation and the local taxing jurisdiction's appraisal valuation  
149 is 20 percent or less, then the valuation of such property for the purpose of any exemption  
150 granted by this Paragraph shall be the taxpayer's appraisal valuation; provided, however,  
151 that before the taxpayer's appraisal valuation shall become effective, the taxpayer shall  
152 provide the taxpayer's appraisal valuation to the appropriate local taxing jurisdiction via  
153 certified mail, return receipt requested, via priority mail, delivery confirmation requested,  
154 or via statutory overnight delivery; and

155 (3) If the difference between the taxpayer's appraisal valuation and the local taxing  
156 jurisdiction's appraisal valuation exceeds 20 percent and if the local taxing jurisdiction  
157 does not agree to the valuation determined by the taxpayer's appraisal valuation, then the  
158 local taxing jurisdiction and taxpayer shall agree to an arbitrator or shall apply to the  
159 superior court of the county, on a form approved by the clerk of the court, to appoint an  
160 arbitrator. The cost of the application shall be borne by the local taxing jurisdiction,  
161 which cost the General Assembly is authorized to establish by general law but which  
162 shall otherwise be established by the clerk of the superior court of each county. Unless  
163 the General Assembly shall provide by general law otherwise, such cost shall not exceed  
164 \$50.00. The arbitrator shall be appointed by the court to select which of the two appraisal  
165 valuations is closer to the fair market value of the homestead or nonhomestead property,  
166 and the closer appraisal valuation shall become the valuation of the homestead or  
167 nonhomestead property for purposes of this Paragraph. The cost for the service of the  
168 arbitrator shall be borne equally by the taxpayer and by the local taxing jurisdiction.

169 (f) Any exemption granted under this Paragraph shall be contingent upon the purchase  
170 being a bona fide, arm's length transaction. The local taxing jurisdiction shall be permitted  
171 to challenge whether a purchase of a homestead or nonhomestead property was a bona fide,  
172 arm's length transaction under the following conditions:

173 (1) Where the purchase was made, directly or indirectly, by a person or by an entity  
174 controlled by such person or in which such person has a 20 percent or greater interest in  
175 the purchasing entity, which person is an immediate family member of the seller or, in  
176 the case of a seller that is an entity, by a person who is an immediate family member of  
177 a person who controls or who has a 20 percent or greater ownership interest in the selling  
178 entity;

179 (2) Where the purchase was made for less than 75 percent of fair market value; or

180 (3) Where a taxpayer purchases or otherwise acquires a homestead or nonhomestead  
181 property as the result of a foreclosure.

182 (g) A taxpayer obtaining a homestead or nonhomestead property through bequest,  
183 inheritance, foreclosure, or in-kind transfer shall obtain an appraisal of the homestead or  
184 nonhomestead property for purposes of establishing valuation for purposes of this  
185 Paragraph. If the local taxing jurisdiction disagrees with the appraisal valuation obtained  
186 by the taxpayer, then the local taxing jurisdiction may seek its own appraisal valuation  
187 pursuant to the provisions of subparagraph (d) of this Paragraph.

188 (h) When, after purchasing a homestead or nonhomestead property, a taxpayer borrows  
189 money or is otherwise extended credit at such taxpayer's request based on the value of such  
190 homestead or nonhomestead property, which value exceeds the base value, as adjusted by  
191 any applicable subparagraphs of this Paragraph, the higher valuation shall become the  
192 value of the homestead or nonhomestead property for purposes of this Paragraph.

193 (i) Any exemption shall be claimed and returned as provided by general law for other  
194 homestead and nonhomestead property exemptions, as applicable. The homestead  
195 exemption shall be automatically renewed from year to year so long as the taxpayer granted  
196 the homestead exemption under this Paragraph occupies the residence as a homestead. The  
197 nonhomestead property exemption shall be automatically renewed from year to year so  
198 long as the taxpayer granted the nonhomestead property exemption under this Paragraph  
199 directly owns the nonhomestead property. After the taxpayer has filed the proper  
200 application as provided in this Paragraph, it shall not be necessary to make application  
201 thereafter for any year, and the exemption shall continue to be allowed to such taxpayer,  
202 provided that such taxpayer is otherwise eligible to receive the exemption. It shall be the  
203 duty of any taxpayer granted the homestead exemption or nonhomestead property  
204 exemption under this Paragraph to notify the tax commissioner of the county or the  
205 municipal tax official, as appropriate, in the event that such taxpayer for any reason  
206 becomes ineligible for that exemption.

207 (j)(1) The homestead or nonhomestead property exemption granted by this Paragraph  
208 shall not apply to or affect:

209 (A) Any state ad valorem taxes;

210 (B) Any other ad valorem tax exemption for county taxes for county purposes  
 211 provided for under this Constitution or by general or local law; or

212 (C) Any property receiving preferential assessment under subparagraph (c) or (e) of  
 213 Paragraph III of Section I of this Article as long as such property remains subject to the  
 214 appropriate covenant.

215 (2) An exemption granted by this Paragraph shall be in addition to and not in lieu of  
 216 any other ad valorem tax exemption.

217 (k) The exemptions granted by this Paragraph shall apply to all taxable years beginning  
 218 on or after January 1 of the following the year in which the referendum required under  
 219 subparagraph (l) of this Paragraph is approved in the appropriate local taxing jurisdiction.

220 (l) An exemption granted under this Paragraph shall only be implemented in a local  
 221 taxing jurisdiction following approval by a majority of the qualified electors residing  
 222 within the limits of the local taxing jurisdiction voting in a referendum thereon as follows:

223 (1) Unless a special election is called and conducted in a local taxing jurisdiction  
 224 sooner, pursuant to subparagraph (1)(2) of this Paragraph, the election superintendent of  
 225 each local taxing jurisdiction shall call and conduct an election as provided in this  
 226 subparagraph for the purpose of submitting the exemptions to the electors of the local  
 227 taxing jurisdiction for approval or rejection. In each local taxing jurisdiction in which an  
 228 election has not been conducted sooner under subparagraph (1)(2) of this Paragraph, each  
 229 election superintendent shall conduct that election on the date of the 2012 state-wide  
 230 general election and shall issue the call and conduct that election as provided by general  
 231 law. Each election superintendent shall cause the date and purpose of the election to be  
 232 published once a week for two weeks immediately preceding the date thereof in the  
 233 official organ of the county. The ballot shall have written or printed thereon the words:

234 ' ( ) YES Shall the base-value exemptions from ad valorem taxes for county,  
 235 municipal, or county or independent school district purposes for a  
 236 ( ) NO homestead and nonhomestead property in an amount equal to the amount  
 237 by which the current-year assessed value of the property exceeds the base  
 238 value of such property, effectively freezing such taxes, be approved?'

239 All persons desiring to vote for approval of the exemptions shall vote 'Yes,' and all  
 240 persons desiring to vote for rejection shall vote 'No.' If more than one-half of the votes  
 241 cast on such question are for approval of the exemptions, the exemptions shall become  
 242 of full force and effect in that local taxing jurisdiction on January 1, 2013. If the  
 243 exemptions are not so approved, they shall not become effective in that local taxing  
 244 jurisdiction. The expense of the election shall be borne by the local taxing jurisdiction.  
 245 It shall be the election superintendent's duty to certify the result thereof to the Secretary  
 246 of State.

247 (2) The General Assembly shall be authorized to provide by local law that the special  
 248 election required in a local taxing jurisdiction under subparagraph (l)(1) of this Paragraph  
 249 may be conducted sooner than the 2012 state-wide general election on any date  
 250 authorized by general law for the holding of a special election. In such event, the election  
 251 superintendent shall follow the procedures specified in subparagraph (l)(1) of this  
 252 Paragraph. If such vote is for approval of the exemptions, they shall become effective  
 253 on January 1 of the year following the year in which such referendum was conducted.

254 (3) In the event such referendum has been conducted and such referendum was not  
 255 approved, the General Assembly shall be authorized by local law to resubmit the question  
 256 of authorizing such exemptions. In such event, the election superintendent shall follow  
 257 the procedures specified in subparagraph (l)(1) of this Paragraph. If such vote is for  
 258 approval of the exemptions, they shall become effective on January 1 of the year  
 259 following the year in which such referendum was conducted.

260 (m)(1) The General Assembly shall be authorized to discontinue any exemption granted  
 261 under this Paragraph by local law conditioned upon approval by a majority of the  
 262 qualified electors residing within the limits of the local taxing jurisdiction voting in a  
 263 referendum thereon.

264 (2) In the event such referendum has been conducted and such referendum was  
 265 approved, the General Assembly shall be authorized by local law to submit the question  
 266 of reauthorizing such exemptions. In such event, the election superintendent shall follow  
 267 the procedures specified in subparagraph (l)(1) of this Paragraph. If such vote is for  
 268 approval of the exemptions, they shall become effective on January 1 of the year  
 269 following the year in which such referendum was conducted.

270 (n) In the event a taxing jurisdiction is created after January 1, 2013, the General  
 271 Assembly shall be authorized by local law to submit the question of approving such  
 272 exemption. In such event, the election superintendent shall follow the procedures specified  
 273 in subparagraph (l)(1) of this Paragraph. If such vote is for approval of the exemption, it  
 274 shall become effective on January 1 of the year following the year in which such  
 275 referendum was conducted."

### 276 SECTION 3.

277 Article VIII, Section VI of the Constitution is amended by revising Paragraphs I and II as  
 278 follows:

279 "Paragraph I. **Local taxation for education.** (a) The board of education of each school  
 280 system shall annually certify to its fiscal authority or ~~authorities~~ authorities the necessary  
 281 school tax not greater than 20 mills per dollar for the support and maintenance of  
 282 education. Said fiscal authority or authorities shall annually levy said tax upon the assessed

283 value of all taxable property within the territory served by said school system, ~~provided that~~  
 284 ~~the levy made by an area board of education, which levy shall not be greater than 20 mills~~  
 285 ~~per dollar, shall be in such amount and within such limits as may be prescribed by local law~~  
 286 ~~applicable thereto.~~

287 (b) School tax funds shall be expended only for the support and maintenance of public  
 288 schools, public ~~vocational-technical schools~~ technical colleges, public education, and  
 289 activities necessary or incidental thereto, including school lunch purposes.

290 (c) ~~The 20 mill limitation provided for in subparagraph (a) of this Paragraph shall not~~  
 291 ~~apply to those school systems which are authorized on June 30, 1983, to levy a school tax~~  
 292 ~~in excess thereof.~~

293 (d) The method of certification and levy of the school tax provided for in  
 294 subparagraph (a) of this Paragraph shall not apply to those systems that are authorized on  
 295 June 30, 1983, to utilize a different method of certification and levy of such tax; but the  
 296 General Assembly may by law require that such systems be brought into conformity with  
 297 the method of certification and levy herein provided.

298 Paragraph II. ~~Increasing or removing tax rate~~ Change in limitation. The mill limitation  
 299 in effect on ~~June 30, 1983~~ January 1, 2011, for any school system may be ~~increased or~~  
 300 ~~removed~~ changed by action of the respective boards of education, but only after such action  
 301 has been approved by a majority of the qualified voters voting thereon in the particular  
 302 school system to be affected in the manner provided for by the particular school system to  
 303 be affected or in the manner provided by law."

304 **SECTION 4.**

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

- 308 "( ) YES Shall the Constitution of Georgia be amended so as to authorize base-value  
 309 exemptions from ad valorem taxes for county, municipal, or county or  
 310 ( ) NO independent school district purposes for homestead and nonhomestead  
 311 property in an amount equal to the amount by which the current-year  
 312 assessed value of the property exceeds the base value of such property,  
 313 effectively freezing such taxes, in any local taxing jurisdiction in which  
 314 such exemptions are approved in a local referendum and to require voter  
 315 approval of changes in the maximum millage rate for school district ad  
 316 valorem taxes?"

317 All persons desiring to vote in favor of ratifying the proposed amendment shall vote "Yes."

318 All persons desiring to vote against ratifying the proposed amendment shall vote "No." If

319 such amendment shall be ratified as provided in said Paragraph of the Constitution, it shall  
320 become a part of the Constitution of this state.