

The House Committee on Ways and Means offers the following substitute to SB 83:

A BILL TO BE ENTITLED  
AN ACT

1 To amend Part 1 of Article 2 of Chapter 5 of Title 48 of the Official Code of Georgia  
2 Annotated, relating to ad valorem tax exemptions, so as to provide a homestead exemption  
3 in the amount of \$2,000.00 of the assessed value of a homestead in this state with respect to  
4 all ad valorem taxes for all residents of the state; to provide for automatic future adjustments  
5 of the exemption amount; to provide for a short title; to provide for definitions; to specify the  
6 terms and conditions of the exemption and the procedures relating thereto; to provide for a  
7 referendum; to provide for effective dates; to provide for applicability; to provide for  
8 automatic repeal under certain circumstances; to repeal conflicting laws; and for other  
9 purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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

12 Part 1 of Article 2 of Chapter 5 of Title 48 of the Official Code of Georgia Annotated,  
13 relating to ad valorem tax exemptions, is amended by adding a new Code section to read as  
14 follows:

15 "48-5-44.1.

16 (a) This Code section shall be known and may be cited as the 'Index Adjusted Homestead  
17 Exemption.'

18 (b) As used in this Code section, the term:

19 (1) 'Ad valorem taxes' means all state ad valorem taxes; all county ad valorem taxes for  
20 county purposes levied by, for, or on behalf of a county; all county school district and  
21 independent school district taxes for educational purposes levied by, for, or on behalf of  
22 a school district; and all municipal taxes for municipal purposes levied by, for, or on  
23 behalf of a municipality; provided, however, that for purposes of this Code section, such  
24 term shall not include any ad valorem taxes to pay interest on and to retire bonded  
25 indebtedness.

26 (2) 'Homestead' means homestead as defined and qualified in Code Section 48-5-40.

27 (c) Each resident of the state is granted an exemption on that person's homestead from all  
28 ad valorem taxes in the amount of \$2,000.00 of the assessed value of the homestead of such  
29 resident for the taxable year beginning January 1, 2009. For all taxable years beginning  
30 on or after January 1, 2010, the exemption amount shall be increased by a percentage equal  
31 to the cost-of-living index. No adjustment shall be made in any year in which the  
32 cost-of-living index decreases from the percentage amount of such index for the preceding  
33 year. The commissioner shall establish and maintain rules governing cost-of-living  
34 adjustments. Such rules shall include the determination and use of an appropriate  
35 cost-of-living index which reflects the effects of inflation and deflation on persons  
36 receiving benefits in the State of Georgia. The rules may use for this purpose the Consumer  
37 Price Index as reported by the Bureau of Labor Statistics of the United States Department  
38 of Labor or any other similar index established by the federal government, if the  
39 commissioner determines that such federal index reflects the effects of inflation and  
40 deflation on persons receiving benefits in the State of Georgia. The value of that property  
41 in excess of such exempted amount shall remain subject to taxation.

42 (d) A person shall not receive the index adjusted homestead exemption granted by  
43 subsection (c) of this Code section unless the person or person's agent files an application  
44 with the tax commissioner of the county in which that person resides giving such  
45 information relative to receiving such exemption as will enable the tax commissioner to  
46 make a determination regarding the initial and continuing eligibility of such person for such  
47 exemption. The tax commissioner shall provide application forms for this purpose.

48 (e) The index adjusted homestead exemption shall be claimed and returned as provided in  
49 Code Section 48-5-50.1. Such exemption shall be automatically renewed from year to year  
50 as long as the person occupies the residence as a homestead. After a person has filed the  
51 proper application as provided in subsection (d) of this Code section, it shall not be  
52 necessary to make application thereafter for any year and such exemption shall continue  
53 to be allowed to such person. It shall be the duty of any person granted the index adjusted  
54 homestead exemption under this Code section to notify the tax commissioner of the county  
55 in which that person resides in the event that person for any reason becomes ineligible for  
56 that exemption.

57 (f) The index adjusted homestead exemption granted by subsection (c) of this section shall  
58 be in addition to and not in lieu of any other homestead exemption notwithstanding any  
59 provision of any other homestead exemption to the contrary."

60

## SECTION 2.

61 Unless prohibited by the federal Voting Rights Act of 1965, as amended, the Secretary of  
62 State shall call and conduct a special election as provided in this section for the purpose of

63 submitting this Act to the electors of the State of Georgia for approval or rejection. The  
64 Secretary of State shall conduct that special election on the third Tuesday in June, 2009. The  
65 Secretary of State shall issue the call and conduct that special election as provided by general  
66 law. The Secretary of State shall cause the date and purpose of the special election to be  
67 published in the official organ of each county in the state once a week for two weeks  
68 immediately preceding the date of the special election. The ballot shall have written thereon  
69 the following:

70 "( ) YES Shall the Act be approved which provides for a state-wide \$2,000.00  
71 ( ) NO homestead exemption with automatic future index adjustments?"

72 All persons desiring to vote for approval of the Act shall vote "Yes," and those persons  
73 desiring to vote for rejection of the Act shall vote "No." If more than one-half of the votes  
74 cast on such question are for approval of the Act, then Section 1 of this Act shall become  
75 effective immediately and shall be applicable to all taxable years beginning on or after  
76 January 1, 2009. If the Act is not so approved or if the special election is not conducted as  
77 provided in this section, Section 1 of this Act shall not become effective and this Act shall  
78 be automatically repealed on the first day of January immediately following that special  
79 election date.

80 **SECTION 3.**

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

83 **SECTION 4.**

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