

The Senate Committee on Finance offered the following substitute to SB 259:

A BILL TO BE ENTITLED  
AN ACT

1 To amend Article 2 of Chapter 5 of Title 48 of the Official Code of Georgia Annotated,  
2 relating to property tax exemptions and deferral, so as to provide for a homestead exemption  
3 from ad valorem taxes for state, county, municipal, or school purposes in an amount equal  
4 to the amount by which the current year assessed value of a homestead exceeds the adjusted  
5 base year assessed value of such homestead; to provide for definitions; to specify the terms  
6 and conditions of the exemption and the procedures relating thereto; to provide for  
7 applicability; to provide for a referendum, effective dates, and automatic repeal; to repeal  
8 conflicting laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 SECTION 1.

11 Article 2 of Chapter 5 of Title 48 of the Official Code of Georgia Annotated, relating to  
12 property tax exemptions and deferral, is amended by adding a new Code section to read as  
13 follows:

14 "48-5-52.2.

15 (a) As used in this Code section, the term:

16 (1) 'Ad valorem taxes for county purposes' means all ad valorem taxes for state, county,  
17 municipal, or school purposes levied by, for, or on behalf of this state, any county in this  
18 state, any municipality in this state, or any school district in this state, but excluding any  
19 ad valorem taxes to pay interest on and to retire county, municipal, or school district  
20 bonded indebtedness.

21 (2) 'Base year' means:

22 (A) The 2016 taxable year with respect to an exemption under this Code section which  
23 is first granted to a person on such person's homestead in the 2017 taxable year or who  
24 reapplies for and is granted such exemption in the 2017 taxable year solely because of  
25 a change in ownership to a joint tenancy with right of survival; or

26 (B) In all other cases, the taxable year immediately preceding the taxable year in which  
27 the exemption under this Code section is first granted to the most recent owner of such  
28 homestead;

29 provided, however, that the tax commissioner shall adjust the base year assessed value  
30 annually by not more than the lesser of 3 percent or the percentage change in the  
31 Consumer Price Index for All Urban Consumers, U.S. city average, all items 1967-100,  
32 or its successor report as reported by the Bureau of Labor Statistics of the United States  
33 Department of Labor.

34 (3) 'Homestead' means homestead as defined and qualified in Code Section 48-5-40 with  
35 the additional qualification that it shall include only the primary residence and not more  
36 than five contiguous acres of land immediately surrounding such residence.

37 (b) Each resident of this state is granted an exemption on such person's homestead from  
38 ad valorem taxes for state, county, municipal, or school purposes in an amount equal to the  
39 amount by which the current year assessed value of that homestead exceeds the adjusted  
40 base year assessed value of the homestead. This exemption shall not apply to taxes  
41 assessed on improvements to the homestead or additional land that is added to the  
42 homestead after January 1 of the base year. If any real property is removed from the  
43 homestead, the base year assessed value shall be adjusted to reflect such removal and the  
44 exemption shall be recalculated accordingly. The value of that property in excess of such  
45 exempted amount shall remain subject to taxation.

46 (c) A person shall not receive the homestead exemption granted by subsection (b) of this  
47 Code section unless the person or person's agent files an application with the tax  
48 commissioner of his or her respective county or municipality giving such information  
49 relative to receiving such exemption as will enable the tax commissioner to make a  
50 determination regarding the initial and continuing eligibility of such owner for such  
51 exemption or has already filed for and is receiving a homestead exemption and such  
52 existing application provides sufficient information to make such determination of  
53 eligibility. The tax commissioner shall provide application forms for this purpose.

54 (d) The exemption shall be claimed and returned as provided in Code Section 48-5-50.1.  
55 The exemption shall be automatically renewed from year to year so long as the owner  
56 occupies the residence as a homestead. After a person has filed the proper application as  
57 provided in subsection (c) of this Code section, it shall not be necessary to make  
58 application thereafter for any year and the exemption shall continue to be allowed to such  
59 person. It shall be the duty of any person granted the homestead exemption under  
60 subsection (b) of this Code section to notify the tax commissioner of the county or  
61 municipality in the event that person for any reason becomes ineligible for the exemption.

62 (e)(1) Except as otherwise provided in paragraph (2) of this subsection, the homestead  
 63 exemption granted by subsection (b) of this Code section shall be in addition to and not  
 64 in lieu of any other homestead exemption applicable to ad valorem taxes for state, county,  
 65 municipal, or school purposes.

66 (2) The homestead exemption granted by subsection (b) of this Code section shall be in  
 67 lieu of and not in addition to any other base year assessed value or adjusted base year  
 68 assessed value homestead exemption provided by local Act which is applicable to ad  
 69 valorem taxes for county purposes, county school district ad valorem taxes for  
 70 educational purposes, ad valorem taxes for municipal purposes, or independent school  
 71 district ad valorem taxes for educational purposes.

72 (f) The exemption granted by subsection (b) of this Code section shall apply to all taxable  
 73 years beginning on or after January 1, 2017."

74 **SECTION 2.**

75 The Secretary of State shall call and conduct an election as provided in this section for the  
 76 purpose of submitting this Act to the electors of the entire state for approval or rejection. The  
 77 Secretary of State shall conduct that election on the date of the November, 2016, state-wide  
 78 general election and shall issue the call and conduct that election as provided by general law.  
 79 The Secretary of State shall cause the date and purpose of the election to be published once  
 80 a week for two weeks immediately preceding the date thereof in the official organ of each  
 81 county in the state. The ballot shall have written or printed thereon the words:

82 "( ) YES Shall the Act be approved which provides a homestead exemption from ad  
 83 ( ) NO valorem taxes for state, county, municipal, or school purposes in an amount  
 84 equal to the amount by which the current year assessed value of a  
 85 homestead exceeds the adjusted base year assessed value of such  
 86 homestead?"

87 All persons desiring to vote for approval of the Act shall vote "Yes," and all persons desiring  
 88 to vote for rejection of the Act shall vote "No." If more than one-half of the votes cast on  
 89 such question are for approval of the Act, Section 1 of this Act shall become of full force and  
 90 effect on January 1, 2017. If the Act is not so approved or if the election is not conducted  
 91 as provided in this section, Section 1 of this Act shall not become effective and this Act shall  
 92 be automatically repealed on the first day of January immediately following that election  
 93 date. It shall be the duty of each county election superintendent to certify the results thereof  
 94 to the Secretary of State.

95

**SECTION 3.**

96

Except as otherwise provided in Section 2 of this Act, this Act shall become effective upon

97

its approval by the Governor or upon its becoming law without such approval.

98

**SECTION 4.**

99

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