

## House Bill 708 (COMMITTEE SUBSTITUTE)

By: Representatives Raffensperger of the 50<sup>th</sup>, Hilton of the 95<sup>th</sup>, Jones of the 25<sup>th</sup>, Martin of the 49<sup>th</sup>, and Willard of the 51<sup>st</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To provide for a new homestead exemption from City of Johns Creek ad valorem taxes for  
2 municipal purposes in an amount equal to the amount by which the current year assessed  
3 value of a homestead exceeds the adjusted base year value of such homestead; to provide for  
4 definitions; to specify the terms and conditions of the exemption and the procedures relating  
5 thereto; to provide for related matters; to provide for applicability; to provide for a  
6 referendum, effective dates, and automatic repeal; to repeal conflicting laws; and for other  
7 purposes.

8 **BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:**

9 **SECTION 1.**

10 (a) As used in this Act, the term:

11 (1) "Property taxes for city purposes" means all ad valorem taxes for municipal purposes  
12 levied by, for, or on behalf of the City of Johns Creek, but excluding any ad valorem  
13 taxes to pay interest on and to retire municipal bonded indebtedness.

14 (2) "Adjusted base year value" means the previous adjusted base year value adjusted  
15 annually by the lesser of 3 percent or the inflation rate, plus any change in homestead  
16 value, provided that no such change in homestead value shall be duplicated as to the same  
17 addition or improvement.

18 (3) "Change in homestead value" means value, including any final determination of  
19 value on appeal pursuant to Code Section 48-5-311 of the O.C.G.A., as amended, derived  
20 from additions or improvements to, or the removal of real property of, the homestead  
21 after the lowest base year value is determined.

22 (4) "Homestead" means homestead as defined and qualified in Code Section 48-5-40 of  
23 the O.C.G.A., as amended, with the additional qualification that it shall include only the  
24 primary residence and not more than five contiguous acres of land immediately  
25 surrounding such residence.

26 (5) "Inflation rate" means the Consumer Price Index for all urban consumers, U.S. City  
27 Average, all items 1967-100, or a successor index as reported by the United States  
28 Department of Labor Bureau of Labor statistics.

29 (6) "Lowest base year value" means:

30 (A) Among the 2016, 2017, and 2018 taxable years, the lowest assessed value,  
31 including any final determination of value on appeal pursuant to Code Section 48-5-311  
32 of the O.C.G.A., as amended, of the homestead, with such assessed value being  
33 multiplied by 1.0423, which number represents inflation rate data for December, 2015,  
34 through December, 2017, with respect to an exemption under this Act which is first  
35 granted to a person on that person's homestead in the 2019 taxable year or who  
36 thereafter reapplies for and is granted such exemption in the 2020 taxable year, or  
37 thereafter, solely because of a change in ownership to a joint tenancy with right of  
38 survival; or

39 (B) In all other cases, the lower of the assessed value, including any final determination  
40 of value on appeal pursuant to Code Section 48-5-311 of the O.C.G.A., as amended, of  
41 the homestead, from the taxable year immediately preceding the taxable year in which  
42 the exemption under this Act is first granted to the most recent owner of such  
43 homestead or the assessed value, including any final determination of value on appeal  
44 pursuant to Code Section 48-5-311 of the O.C.G.A., as amended, of the homestead,  
45 from the taxable year in which the exemption under this Act is first granted to the most  
46 recent owner of such homestead, with respect to an exemption under this Act which is  
47 first granted to a person on that person's homestead in the 2020 taxable year or who  
48 thereafter reapplies for and is granted such exemption in the 2021 taxable year, or  
49 thereafter, solely because of a change in ownership to a joint tenancy with right of  
50 survival.

51 (7) "Previous adjusted base year value" means:

52 (A) With respect to an exemption under this Act that is first granted to a person on that  
53 person's homestead, the lowest base year value; or

54 (B) In all other cases, the adjusted base year value as calculated in the taxable year  
55 immediately preceding the current year.

56 (b) Each resident of the City of Johns Creek is granted an exemption on that person's  
57 homestead from City of Johns Creek property taxes for city purposes in an amount equal  
58 to the amount by which the current year assessed value, including any final determination  
59 of value on appeal pursuant to Code Section 48-5-311 of the O.C.G.A., as amended, of that  
60 homestead exceeds the adjusted base year value of the homestead. The value of that  
61 property in excess of such exempted amount shall remain subject to taxation.

62 (c) The surviving spouse of the person who has been granted the exemption provided for  
63 in subsection (b) of this section shall continue to receive the exemption provided under  
64 subsection (b) of this section, so long as that surviving spouse continues to occupy the  
65 home as a residence and homestead.

66 (d) A person shall not receive the homestead exemption granted by subsection (b) of this  
67 section unless the person or person's agent files an application with the governing authority,  
68 or its designee, of the City of Johns Creek giving such information relative to receiving  
69 such exemption as will enable the governing authority, or its designee, to make a  
70 determination regarding the initial and continuing eligibility of such owner for such  
71 exemption. The governing authority, or its designee, of the City of Johns Creek shall  
72 provide application forms for this purpose.

73 (e) The exemption shall be claimed and returned as provided in Code Section 48-5-50.1  
74 of the O.C.G.A., as amended. The exemption shall be automatically renewed from year  
75 to year so long as the owner occupies the residence as a homestead. After a person has  
76 filed the proper application as provided in subsection (d) of this section, it shall not be  
77 necessary to make application thereafter for any year and the exemption shall continue to  
78 be allowed to such person. It shall be the duty of any person granted the homestead  
79 exemption under subsection (b) of this section to notify the governing authority, or its  
80 designee, of the municipality in the event that person for any reason becomes ineligible for  
81 that exemption.

82 (f) The exemption granted by subsection (b) of this section shall not apply to or affect state  
83 ad valorem taxes, county or independent school district ad valorem taxes for educational  
84 purposes, or county ad valorem taxes for county purposes. The homestead exemption  
85 granted by subsection (b) of this section shall be in addition to and not in lieu of any other  
86 homestead exemption applicable to property taxes for city purposes.

87 (g) The exemption granted by subsection (b) of this section shall apply to all taxable years  
88 beginning on or after January 1, 2019.

89 **SECTION 2.**

90 The municipal election superintendent of the City of Johns Creek shall call and conduct an  
91 election as provided in this section for the purpose of submitting this Act to the electors of  
92 the City of Johns Creek for approval or rejection. The municipal election superintendent  
93 shall conduct such election on November 6, 2018, and shall issue the call and conduct such  
94 election as provided by general law. The municipal election superintendent shall cause the  
95 date and purpose of the election to be published once a week for two weeks immediately  
96 preceding the date thereof in the official organ of the City of Johns Creek. The ballot shall  
97 have written or printed thereon the words:

98     " YES    Do you approve a new homestead exemption from City of Johns Creek  
99                   property taxes for city purposes in the amount of the difference between the  
100      NO    current year assessed value of a home and its lowest base year value,  
101                   provided that the lowest base year value will be adjusted yearly by the lesser  
102                   of 3 percent or the inflation rate?"

103    All persons desiring to vote for approval of the Act shall vote "Yes," and those persons  
104    desiring to vote for rejection of the Act shall vote "No." If more than one-half of the votes  
105    cast on such question are for approval of the Act, Section 1 of this Act shall become of full  
106    force and effect on January 1, 2019. If the Act is not so approved or if the election is not  
107    conducted as provided in this section, Section 1 of this Act shall not become effective and  
108    this Act shall be automatically repealed on the first day of January immediately following  
109    that election date. The expense of such election shall be borne by the City of Johns Creek.  
110    It shall be the municipal election superintendent's duty to certify the result thereof to the  
111    Secretary of State.

112    **SECTION 3.**

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

115    **SECTION 4.**

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