

Representatives Coomer of the 14<sup>th</sup> and Beskin of the 54<sup>th</sup> offer the following substitute to HB 820:

A BILL TO BE ENTITLED  
AN ACT

To amend Article 2 of Chapter 5 of Title 48 of the Official Code of Georgia Annotated, relating to property tax exemptions and deferral, so as to provide for a new homestead exemption from ad valorem taxes for municipal purposes in an amount equal to the amount by which the current year assessed value of a homestead exceeds the adjusted base year value of such homestead; to provide for definitions; to specify the terms and conditions of the exemption and the procedures relating thereto; to provide for applicability; to provide for related matters; to provide for compliance with constitutional requirements; to provide for a referendum, effective dates, and automatic repeal; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

**SECTION 1.**

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

"48-5-44.1.

(a) For purposes of this Code section, the term:

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

(2) 'Adjusted base year value' means the previous adjusted base year value adjusted annually by 2.6 percent plus any change in homestead value, provided that no such change in homestead value shall be duplicated as to the same addition or improvement.

(3) 'Change in homestead value' means value, including any final determination of value on appeal pursuant to Code Section 48-5-311 derived from additions or improvements to, or the removal of real property of, the homestead after the lowest base year value is determined.

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

30 (5) 'Lowest base year value' means:

31 (A) Among the 2016, 2017, and 2018 taxable years, the lowest assessed value,  
32 including any final determination of value on appeal pursuant to Code Section 48-5-311  
33 of the homestead, with such assessed value being multiplied by 1.0423, which number  
34 represents inflation rate data for December, 2015, through December, 2017, with  
35 respect to an exemption under this Code section which is first granted to a person on  
36 such person's homestead in the 2019 taxable year or who thereafter reapplies for and  
37 is granted such exemption in the 2020 taxable year, or thereafter, solely because of a  
38 change in ownership to a joint tenancy with right of 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 homestead, from the  
41 taxable year immediately preceding the taxable year in which the exemption under this  
42 Code section is first granted to the most recent owner of such homestead or the assessed  
43 value, including any final determination of value on appeal pursuant to Code Section  
44 48-5-311 of the homestead, from the taxable year in which the exemption under this  
45 Act is first granted to the most recent owner of such homestead, with respect to an  
46 exemption under this Code section which is first granted to a person on such person's  
47 homestead in the 2020 taxable year or who thereafter reapplies for and is granted such  
48 exemption in the 2021 taxable year, or thereafter, solely because of a change in  
49 ownership to a joint tenancy with right of survival.

50 (6) 'Previous adjusted base year' means:

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

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

55 (b) When a resident of this state resides in a municipal corporation that is located in more  
56 than one county, that levies a sales tax for the purposes of a metropolitan area system of  
57 public transportation, and that has within its boundaries an independent school system, the  
58 homestead of each such resident actually occupied by the owner as a residence and  
59 homestead shall be exempted from ad valorem taxes for municipal purposes in an amount  
60 equal to the amount by which the current year assessed value, including any final  
61 determination of value on appeal pursuant to Code Section 48-5-311 of such homestead  
62 exceeds the adjusted base year value of the homestead. The value of such property in  
63 excess of such exempted amount shall remain subject to taxation.

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

67 (d) A person shall not receive the homestead exemption granted by subsection (b) of this  
68 Code section unless such person or person's agent files an application with the tax receiver  
69 or tax commissioner of his or her respective municipality charged with the duty of  
70 receiving returns of property for taxation giving such information relative to receiving such  
71 exemption as will enable such tax receiver or tax commissioner to make a determination  
72 regarding the initial and continuing eligibility of such person for such exemption or has  
73 already filed for and is receiving a homestead exemption and such existing application  
74 provides sufficient information to make such determination of eligibility. Such tax receiver  
75 or tax commissioner shall provide application forms for this purpose.

76 (e) The exemption shall be claimed and returned as provided in Code Section 48-5-50.1.  
77 Such exemption shall be automatically renewed from year to year so long as the owner  
78 occupies the residence as a homestead. After a person or a person's agent has filed the  
79 proper application as provided in subsection (d) of this Code section, it shall not be  
80 necessary to make application thereafter for any year and the exemption shall continue to  
81 be allowed to such person. It shall be the duty of any person granted the homestead  
82 exemption under subsection (b) of this Code section to notify the tax receiver or tax  
83 commissioner of the municipality in the event such person for any reason becomes  
84 ineligible for such exemption.

85 (f)(1) Except as otherwise provided in paragraph (2) of this subsection, the homestead  
86 exemption granted by subsection (b) of this Code section shall be in addition to and not  
87 in lieu of any other homestead exemption applicable to ad valorem taxes for municipal  
88 purposes.

89 (2) The homestead exemption granted by subsection (b) of this Code section shall be in  
90 lieu of and not in addition to any other base year assessed value or adjusted base year  
91 value homestead exemption provided by local Act which is applicable to ad valorem  
92 taxes for municipal purposes.

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

95 (h) Any municipal corporation described in subsection (b) of this Code section shall be  
96 exempt from the provisions of subsections (c) and (e) of Code Section 48-5-32.1."

97

**SECTION 2.**

98 In accordance with the requirements of Article VII, Section II, Paragraph II(a)(1) of the  
 99 Constitution of the State of Georgia, this Act shall not become law unless it receives the  
 100 requisite two-thirds' majority vote in both the Senate and the House of Representatives.

101

**SECTION 3.**

102 The Secretary of State shall call and conduct an election as provided in this section for the  
 103 purpose of submitting this Act to the electors of the entire state for approval or rejection. The  
 104 Secretary of State shall conduct such election on November 6, 2018, and shall issue the call  
 105 and conduct such election as provided by general law. The Secretary of State shall cause the  
 106 date and purpose of the election to be published once a week for two weeks immediately  
 107 preceding the date thereof in the official organ of each county in the state. The ballot shall  
 108 have written or printed thereon the words:

109       " YES   Do you approve a new homestead exemption from ad valorem taxes for  
 110        NO     municipal purposes in the amount of the difference between the current year  
 111                    assessed value of a home and the adjusted base year value, provided that the  
 112                    lowest base year value will be adjusted yearly by 2.6 percent?"

113

114 All persons desiring to vote for approval of the Act shall vote "Yes," and all persons desiring  
 115 to vote for rejection of the Act shall vote "No." If more than one-half of the votes cast on  
 116 such question are for approval of the Act, Section 1 of this Act shall become of full force and  
 117 effect on January 1, 2019. If the Act is not so approved or if the election is not conducted  
 118 as provided in this section, Section 1 of this Act shall not become effective and this Act shall  
 119 be automatically repealed on the first day of January immediately following such election  
 120 date. It shall be the duty of each county election superintendent to certify the results thereof  
 121 to the Secretary of State.

122

**SECTION 4.**

123 Except as otherwise provided in Section 3 of this Act, this Act shall become effective upon  
 124 its approval by the Governor or upon its becoming law without such approval.

125

**SECTION 5.**

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