

The Senate Committee on Finance offered the following substitute to HB 195:

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 property tax exemptions, so as to allow certain nonprofit charitable  
3 institutions to exempt buildings used for the primary or incidental purpose of securing  
4 income from property tax; to provide for procedures, conditions, and limitations; to provide  
5 for a referendum; to provide for a contingent effective date; to provide for automatic repeal  
6 under certain circumstances; to provide for applicability; to provide for compliance with  
7 constitutional requirements; to repeal conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 SECTION 1.

10 Part 1 of Article 2 of Chapter 5 of Title 48 of the Official Code of Georgia Annotated,  
11 relating to property tax exemptions, is amended by revising subsection (d) of Code  
12 Section 48-5-41, relating to property exempt from ad valorem taxation, as follows:

13 "(d)(1) Except as otherwise provided in paragraph (2) of this subsection, this Code  
14 section, excluding paragraph (1) of subsection (a) of this Code section, shall not apply to  
15 real estate or buildings which are rented, leased, or otherwise used for the primary  
16 purpose of securing an income thereon and shall not apply to real estate or buildings  
17 which are not used for the operation of religious, educational, and charitable institutions.  
18 Donations of property to be exempted shall not be predicated upon an agreement,  
19 contract, or other instrument that the donor or donors shall receive or retain any part of  
20 the net or gross income of the property.

21 (2) With respect to paragraph (4) of subsection (a) of this Code section, a building which  
22 is owned by a charitable institution that is otherwise qualified as a purely public charity  
23 and that is exempt from taxation under Section 501(c)(3) of the federal Internal Revenue  
24 Code and which building is used by such charitable institution ~~exclusively~~ for the  
25 charitable purposes of such charitable institution, and not more than 15 acres of land on  
26 which such building is located, may be used for the primary or incidental purpose of

27         securing income so long as such income is used exclusively for the operation of that  
28         charitable institution."

**SECTION 2.**

30         The Secretary of State shall call and conduct an election as provided in this section for the  
31         purpose of submitting this Act to the electors of the entire state for approval or rejection. The  
32         Secretary of State shall conduct such election on the Tuesday next following the first  
33         Monday in November, 2018, and shall issue the call and conduct that election as provided  
34         by general law. The Secretary of State shall cause the date and purpose of the election to be  
35         published once a week for two weeks immediately preceding the date thereof in the official  
36         organ of each county in the state. The ballot shall have written or printed thereon the words:

37         "( ) YES    Shall the Act be approved which provides an exemption from ad valorem  
38         ( ) NO     taxes on buildings used by a nonprofit charitable institution for the primary  
39                 or incidental purpose of securing income for use for the operation of such  
40                 charitable institution?"

41         All persons desiring to vote for approval of the Act shall vote "Yes," and all persons desiring  
42         to vote for rejection of the Act shall vote "No." If more than one-half of the votes cast on  
43         such question are for approval of the Act, Section 1 of this Act shall become of full force and  
44         effect on January 1, 2019, and shall be applicable to all tax years beginning on or after such  
45         date. If the Act is not so approved or if the election is not conducted as provided in this  
46         section, Section 1 of this Act shall not become effective, and this Act shall be automatically  
47         repealed on the first day of January immediately following that election date. It shall be the  
48         duty of each county election superintendent to certify the result thereof to the Secretary of  
49         State.

**SECTION 3.**

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

**SECTION 4.**

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

**SECTION 5.**

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