

House Bill 1387

By: Representatives Gullett of the 19th, Momtahan of the 17th, and Thomas of the 21st

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 state-wide homestead
3 exemption from ad valorem taxes in an amount as determined from the proceeds generated
4 from the collection of certain ad valorem property taxes on data centers; to provide for
5 definitions; to specify the terms and conditions of the exemption and the procedures relating
6 thereto; to provide for applicability; to provide for related matters; to provide for compliance
7 with constitutional requirements; to provide for a referendum, effective dates, and automatic
8 repeal; to provide for contingent repeal; to repeal 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 "48-5-44.3.

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

16 (1) 'Ad valorem taxes' means all ad valorem taxes levied by, for, or on behalf of the state
17 or any county, consolidated government, municipality, or local school district in this
18 state, except for any ad valorem taxes levied to pay interest on and to retire bonded
19 indebtedness.

20 (2) 'Base year' means the taxable year beginning on January 1 immediately following the
21 first opening of a data center in this state or tax year 2027, whichever is later.

22 (3) 'Data center' means:

23 (A) A structure, group of structures, or infrastructure within an existing structure for
24 the central housing, interconnection and operation of information technology, and
25 network telecommunications equipment for the provision of data storage, data
26 processing, or data transport services; and

27 (B) All related facilities and infrastructure for power distribution, environmental
28 control, cooling, and security required to deliver the desired service with respect to the
29 specific data center which are only connected to data center operation and would not
30 have an impact on an electric grid.

31 (4) 'Homestead' means homestead as defined and qualified in Code Section 48-5-40, as
32 amended.

33 (5) 'Tax official' means the tax receiver or tax commissioner of the respective local
34 government or governments charged with the duty of receiving returns of property for
35 taxation for administration of the homestead exemption provided for by this Code
36 section.

37 (b)(1) Each resident of this state is granted an exemption on that person's homestead
38 from ad valorem taxes in an amount authorized by and calculated pursuant to subsection
39 (c) of this Code section as determined by the tax official of his or her respective local
40 government or governments charged with the duty of receiving returns of property for
41 taxation, including any final determination of value on appeal pursuant to Code
42 Section 48-5-311.

43 (2) Except as provided for in subsection (d) of this Code section, no exemption provided
44 for in this subsection shall transfer to any subsequent owner of the property, and the
45 assessed value of the property shall be as provided by law.

46 (c)(1) In any tax year for which ad valorem property taxes are collected from one or
47 more data centers located in the respective jurisdiction of a local government or
48 governments of a county, consolidated government, municipality, or local school district
49 in this state, the respective tax official shall determine the excess amount of ad valorem
50 property tax collections for all such data centers by calculating the difference between the
51 ad valorem property taxes collected from data centers in such tax year and the ad valorem
52 property taxes collected from data centers in the base year.

53 (2) If the excess amount of ad valorem property tax collections from data centers is
54 positive, the full value of such excess amount shall be segregated from all other proceeds
55 of the ad valorem property tax collected in such tax year, and such funds shall be
56 maintained to offset the cost of the exemption provided by this Code section in the next
57 subsequent tax year. As soon as the tax digest for the next subsequent tax year is
58 approved, the tax official shall calculate the equable proportional share of such excess
59 amount to be applied to all properties receiving the exemption provided for by this Code
60 section in such next subsequent tax year. The tax official shall then provide such excess
61 amount from the previous tax year to the respective local governing authority of a county,
62 consolidated government, municipality, or local school district to offset the cost of the
63 homestead exemption provided by this Code section in such next subsequent tax year.

64 (3) If the excess amount of ad valorem property tax collections from data centers is
65 negative, the value of the homestead exemption provided by this Code section for the
66 next subsequent tax year shall be zero dollars.

67 (d) The surviving spouse of the person who has been granted the exemption provided for
68 in subsection (b) of this Code section shall continue to receive the exemption provided

69 under subsection (b) of this Code section, so long as such surviving spouse continues to
70 occupy the residence as a homestead.

71 (e) A person shall not receive the homestead exemption granted by subsection (b) of this
72 Code section unless such person or person's agent files an application with the tax official
73 of his or her respective local government or governments charged with the duty of
74 receiving returns of property for taxation giving such information relative to receiving such
75 exemption as will enable such tax official to make a determination regarding the initial and
76 continuing eligibility of such person for such exemption, or has already filed for and is
77 receiving a homestead exemption and such existing application provides sufficient
78 information to make such determination of eligibility. Such tax official shall provide
79 application forms for this purpose.

80 (f) The homestead exemption provided in subsection (b) of this Code section shall be
81 claimed and returned as provided in Code Section 48-5-50.1. Such exemption shall be
82 automatically renewed from year to year so long as the owner occupies the residence as a
83 homestead. After a person or a person's agent has filed the proper application as provided
84 in subsection (e) of this Code section, it shall not be necessary to make application
85 thereafter for any year, and the exemption shall continue to be allowed to such person. It
86 shall be the duty of any person granted the homestead exemption under subsection (b) of
87 this Code section to notify the tax official of the appropriate local government or
88 governments in the event such person for any reason becomes ineligible for such
89 exemption.

90 (g) The homestead exemption granted by subsection (b) of this Code section shall be in
91 addition to and not in lieu of any other homestead exemption applicable to ad valorem
92 taxes.

93 (h) The exemption granted by subsection (b) of this Code section shall apply to all taxable
94 years beginning on or after January 1, 2027."

95 **SECTION 2.**

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

99 **SECTION 3.**

100 The Secretary of State shall call and conduct an election as provided in this section for the
 101 purpose of submitting Section 1 of this Act to the electors of the entire state for approval or
 102 rejection. The Secretary of State shall conduct such election no later than the Tuesday next
 103 following the first Monday in November, 2026, and shall issue the call and conduct such
 104 election as provided by general law. The Secretary of State shall cause the date and purpose
 105 of the election to be published once a week for two weeks immediately preceding the date
 106 thereof in the official organ of each county in the state. The ballot shall have written or
 107 printed thereon the words:

108 "() YES Shall the Act be approved which provides a state-wide homestead
 109 () NO exemption from ad valorem taxes of up to 100 percent as determined from
 110 the proceeds generated from the collection of certain ad valorem property
 111 taxes on data centers?"

112 All persons desiring to vote for approval of Section 1 of this Act shall vote "Yes," and all
 113 persons desiring to vote for rejection of Section 1 of this Act shall vote "No." If more than
 114 one-half of the votes cast on such question are for approval of Section 1 of this Act, Section 1
 115 of this Act shall become of full force and effect on January 1, 2027, only if an amendment
 116 to the Constitution to provide for local governments to have the option to offer a state-wide
 117 homestead exemption from ad valorem taxes in an amount equal to any amount by which the
 118 current year assessed value of a homestead exceeds the inflation rate from the adjusted base
 119 year value of such homestead as provided by general law is ratified by the voters at the
 120 November, 2026, state-wide general election. If such an amendment is not so ratified, then

121 Section 1 of this Act shall not become effective and shall stand repealed on January 1, 2027.
122 If Section 1 of this Act is not so approved, if the election is not conducted, or if the
123 constitutional amendment is not ratified as provided in this section, Section 1 of this Act shall
124 not become effective and Section 1 of this Act shall be automatically repealed on the first day
125 of January immediately following such election date. It shall be the duty of each county
126 election superintendent to certify the results thereof to the Secretary of State.

127 **SECTION 4.**

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

130 **SECTION 5.**

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