House Bill 1185

By: Representatives Camp of the 135th, Washburn of the 144th, Frye of the 122nd, Martin of the 49th, and Blackmon of the 146th

A BILL TO BE ENTITLED

AN ACT

To amend Part 1 of Article 2 of Chapter 5 of Title 48 of the Official Code of Georgia Annotated, relating to tax exemption, so as to provide for a statewide homestead exemption from ad valorem taxes in an amount equal to any amount by which the current year assessed value of a homestead exceeds the inflation rate from 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 approval by local governing authorities; to provide for related matters; to provide for compliance with constitutional requirements; to provide for a referendum, effective dates, and automatic repeal; to provide for contingent repeal; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Part 1 of Article 2 of Chapter 5 of Title 48 of the Official Code of Georgia Annotated, relating to tax exemption, is amended by adding a new Code section to read as follows:

"48-5-44.2.

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

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

(2) 'Adjusted base year value' means the sum of:

(A) The previous adjusted base year assessed value;

(B) An amount equal to the difference between the current year assessed value of the homestead and the base year assessed value of the homestead, provided that such amount shall not exceed the total of the previous adjusted base year assessed value of the homestead multiplied by the inflation rate for the prior year; and

(C) The value of any substantial property change, provided that no such value added improvements to the homestead shall be duplicated as to the same addition or improvement.

(3) 'Base year assessed value' means:

(A) With respect to an exemption under this Code section which is first granted to a person on such person's homestead for the 2025 taxable year, the assessed value for taxable year 2024, including any final determination of value on appeal pursuant to Code Section 48-5-311, of the homestead; or

(B) In all other cases, the assessed value, including any final determination of value on appeal pursuant to Code Section 48-5-311, of the homestead from the taxable year immediately preceding the taxable year in which the exemption under this Code section is first granted to the applicant.

(4) 'Homestead' means homestead as defined and qualified in Code Section 48-5-40 of the O.C.G.A., as amended.

(5) 'Inflation rate' means the annual inflationary index rate as determined for a given year by the commissioner in accordance with subsection (g) of this Code section.

(6) 'Previous adjusted base year assessed value' means:

(A) With respect to the year for which the exemption under this Code section is first granted to a person on such person's homestead, the base year assessed value; or

(B) In all other cases, the adjusted base year assessed value of the homestead as calculated in the taxable year immediately preceding the current year, including any final determination of value on appeal pursuant to Code Section 48-5-311.

(7) 'Substantial property change' means any increase or decrease in the assessed value of a homestead derived from additions or improvements to, or the removal of real property from, the homestead which occurred after the year in which the base year assessed value is determined for the homestead. The assessed value of the substantial property changes shall be established following any final determination of value on appeal pursuant to Code Section 48-5-311.

(b)(1) Subject to local approval as provided for in paragraph (3) of this subsection, each resident of this state is granted an exemption on that person's homestead from ad valorem taxes in an amount equal to the amount by which the current year assessed value of that homestead, including any final determination of value on appeal pursuant to Code Section 48-5-311, exceeds its previous adjusted base year assessed value.

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

(3) The exemption provided for in paragraph (1) of this subsection shall not be applicable to any county, consolidated government, municipality, or local school district in this state until January 1 of the calendar year in which the governing authority of the county, consolidated government, municipality, or local school district elects to approve of the exemption by ordinance or resolution.

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

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

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

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

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

(g) For the purposes of this Code section, the commissioner shall promulgate a standardized method for determining annual inflationary index rates which reflect the effects of inflation and deflation on the cost of living for residents of this state for a given calendar year. Such method may utilize the Consumer Price Index as reported by the Bureau of Labor Statistics of the United States Department of Labor or any other similar index established by the federal government if the commissioner determines that such federal index fairly reflects the effects of inflation and deflation on residents of this state.
(h) The exemption granted by subsection (b) of this Code section shall apply to all taxable years beginning on or after January 1, 2025."

SECTION 2.

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

SECTION 3.

The Secretary of State shall call and conduct an election as provided in this section for the purpose of submitting this Act to the electors of the entire state for approval or rejection. The Secretary of State shall conduct such election no later than the Tuesday next following the first Monday in November, 2024, and shall issue the call and conduct such election as provided by general law. The Secretary of State shall cause the date and purpose of the election to be published once a week for two weeks immediately preceding the date thereof in the official organ of each county in the state. The ballot shall have written or printed thereon the words:

"( ) YES Shall the Act be approved which provides a statewide homestead exemption
( ) NO from ad valorem taxes in an amount equal to the amount by which the current year assessed value of a homestead exceeds its base year assessed value, provided that the base year assessed value of such homestead shall be subject to annual changes based on the inflation rate, subject to approval of the applicable local governing authority?"

All persons desiring to vote for approval of the Act shall vote "Yes," and all persons desiring to vote for rejection of the Act shall vote "No." If more than one-half of the votes cast on such question are for approval of the Act, Section 1 of this Act shall become of full force and effect on January 1, 2025, only if an amendment to the Constitution to provide for local governments to have the option to offer a state-wide homestead exemption from ad valorem taxes in an amount equal to any amount by which the current year assessed value of a homestead exceeds the inflation rate from the adjusted base year value of such homestead as provided by general law is ratified by the voters at the November, 2024, state-wide general election. If such an amendment is not so ratified, then this Act shall not become effective and shall stand repealed on January 1, 2025. If the Act is not so approved, if the election is not conducted, or if the constitutional amendment is not ratified as provided in this section, Section 1 of this Act shall not become effective and this Act shall be automatically repealed on the first day of January immediately following such election date. It shall be the duty of each county election superintendent to certify the results thereof to the Secretary of State.

SECTION 4.

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

SECTION 5.

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