

House Bill 511

By: Representatives Lumsden of the 12th, Blackmon of the 146th, Williams of the 148th,
Burchett of the 176th, Hatchett of the 155th, and others

A BILL TO BE ENTITLED
AN ACT

1 To amend of Chapter 32 of Title 33 and Code Section 48-7-27 of the Official Code of
2 Georgia Annotated, relating to property insurance and computation of taxable net income,
3 respectively, so as to provide for deductions from taxable income for contributions by
4 taxpayers to catastrophe savings accounts and interest earned on such accounts; to establish
5 limits for contributions to such accounts; to provide for definitions; to provide for related
6 matters; to provide for an effective date and applicability; to repeal conflicting laws; and for
7 other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 Chapter 32 of Title 33 of the Official Code of Georgia Annotated, relating to property
11 insurance, is amended by adding a new Code section to read as follows:

12 "33-32-7.

13 (a) As used in this Code section, the term:

14 (1)(A) 'Catastrophe savings account' means:

15 (i) Any regular savings account or money market account established by a resident
16 individual taxpayer who is an insurance policyholder for residential property in this

17 state, which property is his or her primary residence, to cover the taxpayer's qualified
18 catastrophe expenses; and

19 (ii) Any regular savings account or money market account established by a resident
20 individual taxpayer to cover expenses for self-insured losses which are qualified
21 catastrophe expenses.

22 (B) An account shall be labeled as a catastrophe savings account to qualify as a
23 catastrophe savings account pursuant to this Code section.

24 (2) 'Qualified catastrophe expenses' means expenses, including, but not limited to,
25 qualified deductibles paid or incurred in connection with damage to a taxpayer's primary
26 residence resulting from an event that has been declared as a disaster or emergency by
27 the Governor.

28 (3) 'Qualified deductible' means the deductible for the homeowner's insurance policy of
29 the taxpayer covering hurricane, rising floodwater, or other catastrophic windstorm event
30 damage for his or her primary residence. If the homeowner's insurance policy of the
31 taxpayer covering hurricane, rising floodwater, or other catastrophic windstorm event
32 damage for his or her primary residence includes more than one deductible, the
33 deductible with the highest amount shall constitute the qualified deductible.

34 (4) 'Windstorm event' means a cyclone, a hurricane, a tornado, high winds, hail, or any
35 similar peril not normally among those covered under typical property casualty insurance
36 policies but obtainable through the purchase of wind, wind and hail, storm, or windstorm
37 coverage, or any combination of such coverages.

38 (b) A taxpayer may establish one catastrophe savings account and shall specify that the
39 purpose of the account is to cover qualified catastrophe expenses.

40 (c)(1) For a taxpayer whose qualified deductible is \$1,000.00 or less, the total amount
41 that may be contributed to a catastrophe savings account shall not exceed \$2,000.00.

42 (2) For a taxpayer whose qualified deductible is greater than \$1,000.00, the total amount
43 that may be contributed to a catastrophe savings account shall not exceed the lesser of
44 twice the amount of the taxpayer's qualified deductible or \$25,000.00.

45 (3) For a self-insured taxpayer who chooses not to obtain insurance on his or her primary
46 residence, the total amount that may be contributed to a catastrophe savings account shall
47 not exceed \$250,000.00; provided, however, that in no case shall the amount contributed
48 to the catastrophe savings account exceed the fair market value of the taxpayer's primary
49 residence.

50 (d) A catastrophe savings account shall not be subject to attachment, levy, garnishment,
51 or legal process in this state."

52 **SECTION 2.**

53 Code Section 48-7-27 of the Official Code of Georgia Annotated, relating to computation of
54 taxable net income, is amended by adding a new paragraph to subsection (a) to read as
55 follows:

56 "(11.3) For taxable years beginning on or after January 1, 2026:

57 (A) The amount contributed to a catastrophe savings account in accordance with Code
58 Section 33-32-7; and

59 (B) Any interest earned on moneys in a catastrophe savings account;"

60 **SECTION 3.**

61 This Act shall become effective on July 1, 2025, and shall be applicable to taxable years
62 beginning on or after January 1, 2026.

63 **SECTION 4.**

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