

The House Committee on Intragovernmental Coordination - Local Legislation offers the following substitute to HB 744:

A BILL TO BE ENTITLED
AN ACT

1 To provide a homestead exemption from City of Walnut Grove ad valorem taxes for
2 municipal purposes in an amount equal to the amount by which the current year assessed
3 value of a homestead exceeds the adjusted base year assessed value of such homestead; to
4 provide for definitions; to specify the terms and conditions of the exemption and the
5 procedures relating thereto; to provide for applicability; to provide for compliance with
6 constitutional requirements; to provide for a referendum, effective dates, automatic repeal,
7 mandatory execution of election, and judicial remedies regarding failure to comply; to
8 provide for related matters; to repeal conflicting laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 **SECTION 1.**

11 (a) As used in this Act, the term:

12 (1) "Ad valorem taxes" means all ad valorem taxes levied by, for, or on behalf of the City
13 of Walnut Grove for municipal purposes, except for any ad valorem taxes levied to pay
14 interest on and to retire bonded indebtedness.

15 (2) "Adjusted base year assessed value" means the sum of:

16 (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 plus 25 basis points; 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 section which is first granted to a person on such person's homestead for the 2026 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 O.C.G.A., 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 O.C.G.A., of the homestead from the taxable year immediately preceding the taxable year in which the exemption under this 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 of revenue in accordance with subsection (f) of this section.

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

(A) With respect to the year for which the exemption under this 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 of the O.C.G.A.

(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 of the O.C.G.A.

(b)(1) Subject to the limitations provided in this section, each resident of the City of Walnut Grove 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 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.

(c) No person shall receive the exemption granted by subsection (b) of this section unless such person or person's agent files an application with the governing authority of the City of Walnut Grove, or its designee as will enable the governing authority of the City of Walnut Grove, or its designee to make a determination regarding the initial and continuing eligibility of such person for such exemption; provided, however, that any person who had previously applied for a homestead exemption, was allowed such homestead exemption for the 2025 tax year, and remains eligible for a homestead exemption for that same homestead property in the 2026 tax year shall be automatically allowed the exemption granted under subsection (b) of this section for that homestead without further application. The governing authority of the City of Walnut Grove, or its designee shall provide application forms for this purpose.

(d) The exemption shall be claimed and returned as provided in Code Section 48-5-50.1 of the O.C.G.A., as amended. The exemption shall be automatically renewed from year to year so long as the person granted the homestead exemption under subsection (b) of this section

70 occupies the residence as a homestead. After such person has filed the proper application as
71 provided in subsection (c) of this section, it shall not be necessary to make application
72 thereafter for any year, and such exemption shall continue to be allowed to such person. It
73 shall be the duty of any such person granted the homestead exemption under subsection (b)
74 of this section to notify the governing authority of the City of Walnut Grove, or its designee
75 in the event that such person for any reason becomes ineligible for such exemption. The
76 surviving spouse of the person who has been granted the exemption provided for in
77 subsection (b) of this section shall continue to receive the exemption provided under
78 subsection (b) of this section, so long as that surviving spouse continues to occupy the home
79 as a residence and homestead.

80 (e)(1) The exemption granted by subsection (b) of this section shall not apply to or affect
81 any state ad valorem taxes, county ad valorem taxes for county purposes, or county or
82 independent school district ad valorem taxes for educational purposes.

83 (2) Except as otherwise provided in paragraph (3) of this subsection, the homestead
84 exemption granted by subsection (b) of this section shall be in addition to and not in lieu
85 of any other homestead exemption applicable to ad valorem taxes.

86 (3) The homestead exemption granted by subsection (b) of this section shall not be applied
87 in addition to any other base year value homestead exemption provided by law with respect
88 to the City of Walnut Grove. In any such event, the governing authority of the City of
89 Walnut Grove, or its designee shall apply only the base year value homestead exemption
90 that is larger or more beneficial for the taxpayer with respect to the City of Walnut Grove.

91 (f) For the purposes of this section, the commissioner of revenue shall promulgate a
92 standardized method for determining annual inflationary index rates which reflect the effects
93 of inflation and deflation on the cost of living for residents of this state for a given calendar
94 year. Such method may utilize the Consumer Price Index as reported by the Bureau of Labor
95 Statistics of the United States Department of Labor or any other similar index established by

96 the federal government if the commissioner of revenue determines that such federal index
97 fairly reflects the effects of inflation and deflation on residents of this state.
98 (g) The exemption granted by subsection (b) of this section shall apply to all taxable years
99 beginning on or after January 1, 2026.

100

SECTION 2.

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

104

SECTION 3.

105 The municipal election superintendent of the City of Walnut Grove shall call and conduct an
106 election as provided in this section for the purpose of submitting this Act to the electors of
107 the City of Walnut Grove for approval or rejection. The election superintendent shall
108 conduct that election on the Tuesday following the first Monday in November of 2025 and
109 shall issue the call and conduct that election as provided by general law. The election
110 superintendent shall cause the date and purpose of the election to be published once a week
111 for two weeks immediately preceding the date thereof in the official organ of Walton County.
112 The ballot shall have written or printed thereon the words:

113 "() YES Shall the Act be approved which provides a homestead exemption from City
114 of Walnut Grove ad valorem taxes for municipal purposes in an amount
115 () NO equal to the amount by which the current year assessed value of a
116 homestead exceeds the adjusted base year assessed value, including any
117 final determination of value on appeal pursuant to Code Section 48-5-311
118 of the O.C.G.A., as amended, of such homestead?"

119 All persons desiring to vote for approval of the Act shall vote "Yes," and all persons desiring
120 to vote for rejection of the Act shall vote "No." If more than one-half of the votes cast on

121 such question are for approval of the Act, Section 1 of this Act shall become of full force and
122 effect on January 1, 2026. If the Act is not so approved or if the election is not conducted
123 as provided in this section, Section 1 of this Act shall not become effective, and this Act shall
124 be automatically repealed on the 365th calendar day following the election date provided for
125 in this section. The expense of such election shall be borne by the City of Walnut Grove.
126 It shall be the election superintendent's duty to certify the result thereof to the Secretary of
127 State. The provisions of this section shall be mandatory upon the election superintendent and
128 are not intended as directory. If the election superintendent fails or refuses to comply with
129 this section, any elector of the City of Walnut Grove may apply for a writ of mandamus to
130 compel the election superintendent to perform his or her duties under this section. If the
131 court finds that the election superintendent has not complied with this section, the court shall
132 fashion appropriate relief requiring the election superintendent to call and conduct such
133 election on the date required by this section or on the next date authorized for special
134 elections provided for in Code Section 21-2-540 of the O.C.G.A.

135 **SECTION 4.**

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

138 **SECTION 5.**

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