

The Senate Committee on Rules offered the following substitute to HB 92:

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 48 of the Official Code of Georgia Annotated, relating to revenue and
2 taxation, so as to provide for the contents of property tax bills; to revise a state-wide base
3 year homestead exemption; to clarify that a surviving spouse does not need to reapply for
4 such exemption; to provide for procedures to elect to opt out and rescind an election to opt
5 out of such exemption; to provide for an additional period to apply for a homestead
6 exemption in certain circumstances; to provide for the contents of annual notices of
7 assessment; to provide for forms for such notices; to provide for requirements for calculating
8 and certifying estimated roll-back rates; to revise definitions; to exempt from local taxes the
9 sale or use of construction materials used in certain capital outlay projects for educational
10 purposes; to provide that such exemption only applies to projects for local school systems
11 that have in effect certain homestead exemptions from property taxation; to provide for
12 conditions and limitations; to provide for payment, collection, and refunds; to provide for an
13 automatic repeal; to provide for the maximum amount of local sales and use taxes that may
14 be imposed; to revise provisions related to a special district sales and use tax; to provide for
15 conditions under which such tax may be imposed; to provide for clarifications; to provide for
16 related matters; to provide for an effective date and applicability; to repeal conflicting laws;
17 and for other purposes.

18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

19 **PART I**
20 **SECTION 1-1.**

21 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is
22 amended in Code Section 48-5-2, relating to definitions relative to ad valorem taxation of
23 property, by revising paragraph (2.1) as follows:

24 "(2.1) 'Estimated roll-back rate' means, for any given levying or recommending authority,
25 the current year's estimated millage rate for general maintenance and operations minus
26 the millage equivalent of the total net assessed value added by reassessments:

27 ~~(A) As as calculated and certified to the tax commissioner by the levying or~~
28 ~~recommending authority pursuant to Code Section 48-5-306.2 for county and~~
29 ~~educational tax purposes; and~~

30 ~~(B) As calculated and certified to the collecting officer of the municipality by the~~
31 ~~levying authority for municipal tax purposes."~~

32 **SECTION 1-2.**

33 Said title is further amended in Code Section 48-5-34, relating to ad valorem property tax bill
34 form, by revising subsection (b) and adding a new subsection to read as follows:

35 "(b) In addition to the requirements of subsection (a) of this Code section, ~~regarding any~~
36 ~~ad valorem property tax bill where~~ if the millage rate adopted by a tax taxing authority
37 exceeds the estimated roll-back rate and such estimated roll-back rate was provided in the
38 annual notice of assessment, such tax bill shall include a notice containing the name of
39 such taxing authority and the following statement in bold print:

40 'The adopted millage rate exceeds the estimated roll-back rate as stated in the annual
 41 notice of assessment that you previously received for this taxable year, which will
 42 result in an increase in the amount of property tax that you will owe.'

43 (c)(1) If the governing authority of a county, consolidated government, municipality, or
 44 school district elected to opt out of the homestead exemption provided for in Code
 45 Section 48-5-44.2 and there is not in effect for such political subdivision a base year
 46 value homestead exemption or adjusted base year value homestead exemption that is
 47 generally applicable for homestead residents, each ad valorem property tax bill issued by
 48 such political subdivision for homestead properties shall contain a notice in bold print
 49 that corresponds with the following statement:

50 '[Name of the political subdivision] chose to opt out of property tax relief for
 51 homeowners related to HB 581 (2024). If you have concerns about that decision,
 52 please call [the main telephone number for the levying or recommending authority of
 53 the political subdivision].'

54 (2) The provisions of paragraph (1) of this subsection shall not apply for any taxable year
 55 beginning after December 31, 2029."

56 **SECTION 1-3.**

57 Said title is further amended in Code Section 48-5-44.2, relating to base year homestead
 58 exemption, by revising paragraph (4) of subsection (a) and subsections (e) and (i) as follows:

59 "(4) 'Homestead' means homestead as defined and qualified in Code Section 48-5-40,
 60 with the additional limitation that it shall include:

61 (A) Only the primary residence and not more than five contiguous acres of land
 62 immediately surrounding such residence; or

63 (B) If the property is assessed pursuant to Code Section 48-5-7.4 or 48-5-7.7, only the
 64 primary residence and the portion of the underlying property that is excluded from the

65 benefit of such assessment pursuant to subparagraph (a)(1)(B) of Code Section 48-5-7.4
 66 or subparagraph (b)(2)(B) of Code Section 48-5-7.7."

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

78 "(i)(1) The governing authority of any county, consolidated government, municipality,
 79 or school district may elect to opt out of the homestead exemption otherwise granted by
 80 ~~subsection (b)~~ of this Code section with respect to such political subdivision through the
 81 adoption of a resolution to do the same by March 1, 2025, after completing the following
 82 steps:

83 ~~(H)~~(A) The governing authority shall advertise its intent to do so and shall conduct at
 84 least three public hearings thereon, at least one of which shall commence between the
 85 hours of 6:00 P.M. and 7:00 P.M., inclusive, on a business weekday. The governing
 86 authority shall place an advertisement in a newspaper of general circulation serving the
 87 residents of the political subdivision and post such advertisement on its website, which
 88 shall read as follows:

89 'INTENT TO OPT OUT OF HOMESTEAD EXEMPTION

90 The (name of governing authority) intends to opt out of the statewide adjusted
 91 base year ad valorem homestead exemption for (name of the political subdivision).

92 All concerned citizens are invited to the public hearing on this matter to be held
93 at (place of meeting) on (date and time).

94 Times and places of additional public hearings on this matter are at (place of
95 meeting) on (date and time).'

96 Simultaneously with this notice the governing authority shall provide a press release to
97 the local media; and

98 ~~(2)(B)~~ The advertisement required by subparagraph (A) of this paragraph (1) of this
99 subsection shall appear at least one week prior to each hearing, be prominently
100 displayed, be not less than 30 square inches, and not be placed in that section of the
101 newspaper where legal notices appear and shall be posted on the appropriate website
102 at least one week prior to each hearing. In addition to the advertisement specified under
103 this paragraph, the levying or recommending authority may include in the notice
104 reasons or explanations for its intention to opt out of the homestead exemption.

105 ~~(3)(2)~~ No resolution election to opt out of the homestead exemption pursuant to this
106 Code section shall become effective with respect to a political subdivision unless the
107 procedures and hearings required by paragraph (1) of this subsection are completed and
108 a copy of such resolution is filed with the Secretary of State by March 1, 2025.

109 (3) For an election to opt out of the homestead exemption pursuant to this subsection to
110 remain effective for tax years 2027 and after with respect to a political subdivision that
111 does not have in effect a base year value homestead exemption or an adjusted base year
112 value homestead exemption that is generally applicable to homestead residents, the
113 governing authority of such political subdivision shall complete the same procedures and
114 hearings required by paragraph (1) of this subsection, except that a copy of the required
115 resolution shall be filed with the Secretary of State by March 1, 2027.

116 (4) The governing authority of any county, consolidated government, municipality, or
117 school district that has elected to opt out of the homestead exemption pursuant to this
118 subsection may rescind such election at any time by adopting a resolution to do so and

119 filing a copy of such resolution with the Secretary of State; provided, however, that such
120 resolution to rescind the election to opt out shall only be effective for:

121 (A) Tax year 2025 if a copy of the resolution is filed with the Secretary of State by
122 April 30, 2025; and

123 (B) Any other tax year from 2026 through 2029 if a copy of the resolution is filed with
124 the Secretary of State by March 1 of such year."

125 **SECTION 1-4.**

126 Said title is further amended in Code Section 48-5-45, relating to application for homestead
127 exemption and unlawful to solicit fee to file application for homestead for another, by
128 revising subsection (a) as follows:

129 "(a)(1) An applicant seeking a homestead exemption as provided in Code
130 Section 48-5-44 and qualifying under the provisions of Code Section 48-5-40 shall file
131 a written application and schedule with the tax receiver or tax commissioner charged with
132 the duty of receiving returns of property for taxation at any time during the calendar year
133 subsequent to the property becoming the primary residence of the applicant up to and
134 including the date for the closing of the books for the return of taxes for the calendar year,
135 except that, in the case of a property which is subject to a reassessment by the board of
136 tax assessors, such application and schedule may be filed in conjunction with or in lieu
137 of an appeal of the reassessment.

138 (2) The failure to file properly the application and schedule on or before the date for the
139 closing of the books for the return of taxes of a calendar year in which the taxes are due
140 shall constitute a waiver of the homestead exemption on the part of the applicant failing
141 to make the application for such exemption for that year."

142 **SECTION 1-5.**

143 Said title is further amended in Code Section 48-5-306, relating to annual notice of current
144 assessment, contents, posting notice, and new assessment description, by revising
145 paragraph (1) of subsection (b) as follows:

146 "(1) The annual notice of current assessment required to be given by the county board
147 of tax assessors under subsection (a) of this Code section shall be dated and shall contain
148 the name and last known address of the taxpayer. The annual notice shall ~~conform with~~
149 be given on the applicable state-wide ~~uniform~~ assessment notice form which shall be
150 established by the commissioner by rule and regulation and shall contain:

151 (A) The amount of the previous assessment;

152 (B) The amount of the current assessment;

153 (C) The year for which the new assessment is applicable;

154 (D) A brief description of the assessed property broken down into real and personal
155 property classifications;

156 (E) The fair market value of property of the taxpayer subject to taxation and the
157 assessed value of the taxpayer's property subject to taxation after being reduced;

158 (F) The name, phone number, and contact information of the person in the assessors'
159 office who is administratively responsible for the handling of the appeal and who the
160 taxpayer may contact if the taxpayer has questions about the reasons for the assessment
161 change or the appeals process;

162 (G) If available, the public internet website address of the office of the county board
163 of tax assessors;

164 (H) A statement that all documents and records used to determine the current value are
165 available upon request; and

166 (I)(i) The current year's estimated roll-back rate for each levying or recommending
167 authority that certified its estimated roll-back rate for the current year to the county

168 board of tax assessors and county tax commissioner by the date specified under Code
 169 Section 48-5-306.2; or
 170 (ii) For each levying or recommending authority that did not certify its estimated
 171 roll-back rate to the county board of tax assessors and county tax commissioner by the
 172 date specified in Code Section 48-5-306.2, the millage rate that was actually levied
 173 by or on behalf of such authority for the previous tax year, and an estimate of the
 174 amount of ad valorem taxes due for the assessed property based on such millage rate
 175 and the amount of the current assessment."

176 **SECTION 1-6.**

177 Said title is further amended by adding a new Code section to read as follows:

178 "48-5-306.2.

179 Each levying and recommending authority shall annually calculate its estimated roll-back
 180 rate for the current year and shall certify such rate to the county board of tax assessors and
 181 county tax commissioner no less than 15 days prior to the postmark of the annual notice
 182 of assessment."

183 **PART II**

184 **SECTION 2-1.**

185 Said title is further amended in Code Section 48-8-3, relating to exemptions from sales and
 186 use taxes, by adding a new paragraph to read as follows:

187 "(10.1)(A) Notwithstanding any provision of Code Section 48-8-63 to the contrary, the
 188 sale or use of qualifying construction materials used in capital outlay projects for
 189 educational purposes.

190 (B) The exemption provided for in this paragraph shall only apply to local sales and
 191 use taxes.

192 (C)(i) Notwithstanding the exemption provided for in subparagraph (A) of this
193 paragraph, all sales and use taxes imposed on the sale or use of qualifying
194 construction materials shall be paid and collected pursuant to the requirements of this
195 chapter.

196 (ii) The benefit of the exemption allowed by this paragraph may be claimed by the
197 local school system for which the qualifying construction materials were used. To
198 claim the exemption, the local school system shall file a request for refund in the
199 manner prescribed by the department. The department shall refund to the local school
200 system the amount of taxes paid on qualifying construction materials used in the
201 capital outlay project for educational purposes. No refund made pursuant to this
202 paragraph shall include interest.

203 (iii) Any refund received by a local school system pursuant to this paragraph shall be
204 allocated to a fund or account for capital outlay projects and used in accordance with
205 the requirements for sales taxes for educational purposes authorized pursuant to
206 Article VIII, Section VI, Paragraph IV of the Constitution of Georgia.

207 (D) As used in this paragraph, the term:

208 (i) 'Capital outlay project for educational purposes' means a project that:

209 (I) Was approved and funded through a sales tax for educational purposes
210 authorized pursuant to Article VIII, Section VI, Paragraph IV of the Constitution of
211 Georgia; and

212 (II) Is for a local school system which has in effect a base year value homestead
213 exemption or adjusted base year value homestead exemption from ad valorem
214 taxation for educational purposes for all residents of the local school system.

215 (ii) 'Local sales and use taxes' mean sales taxes, use taxes, or local sales and use taxes
216 levied or imposed at any time in any area consisting of less than the entire state,
217 however authorized, including, but not limited to, such taxes authorized by or
218 pursuant to a constitutional amendment; by or pursuant to Section 25 of an Act

219 approved March 10, 1965 (Ga. L. 1965, p. 2243), as amended, the 'Metropolitan
 220 Atlanta Rapid Transit Authority Act of 1965'; and by or pursuant to Articles 2, 2A,
 221 2B, 3, 4, 5, 5A, and 5B of this chapter.

222 (iii) 'Qualifying construction materials' means any materials used in the construction
 223 of a capital outlay project for educational purposes that will remain as part of such
 224 project after completion of construction or that become incorporated into such
 225 project's real property. Such term shall not include any materials that remain in the
 226 possession of a contractor after the completion of construction.

227 (E) This paragraph shall stand repealed on December 31, 2033;"

228

PART III

229

SECTION 3-1.

230 Said title is further amended in Code Section 48-8-6, relating to prohibition of political
 231 subdivisions from imposing various taxes, ceiling on local sales and use taxes, and taxation
 232 of mobile telecommunications, by revising subsection (a) as follows:

233 "(a)(1) Except as provided in this subsection, on and after July 1, 2024, there shall not
 234 be imposed in any jurisdiction in this state or on any transaction in this state local sales
 235 taxes, local use taxes, or local sales and use taxes in excess of 2 percent. For purposes
 236 of ~~this~~ such 2 percent limitation, the taxes affected are any sales tax, use tax, or sales and
 237 use tax which is levied in an area consisting of less than the entire state, however
 238 authorized, including such taxes authorized by or pursuant to constitutional amendment,
 239 and regardless of whether another provision of law purports to the contrary; except for
 240 the following:

241 (A) A 1 percent sales and use tax for educational purposes exempted from such
 242 limitation under Article VIII, Section VI, Paragraph IV of the Constitution;

243 (B) Up to 1 percent in aggregate of any of the transportation related sales and use taxes
244 authorized under Articles 5, 5A, and 5B of this chapter and Article 2 of Chapter 9 of
245 Title 32, and in a county in which a tax is levied and collected pursuant to Part 2 of
246 Article 2A of this chapter, any tax levied for purposes of a metropolitan area system of
247 public transportation, as authorized by the amendment to the Constitution set out at
248 Georgia Laws, 1964, page 1008, the continuation of such amendment under Article XI,
249 Section I, Paragraph IV(d) of the Constitution, and the laws enacted pursuant to such
250 constitutional amendment; and

251 (C) Up to 1 percent in aggregate of any sales and use taxes authorized under Code
252 Section 48-8-96, Code Section 48-8-97, Article 2B of this chapter, Part 3 of Article 3
253 of this chapter, and Article 4 of this chapter.

254 (2) Notwithstanding any provision of law to the contrary, any tax that does not comply
255 with the limitations provided in paragraph (1) of this subsection as of July 1, 2025, but
256 was initiated in compliance with the law in effect prior to January 1, 2025, shall be
257 allowed to continue as authorized under laws that existed prior to July 1, 2025; provided,
258 however, that, upon the expiration or termination of any such tax, ~~such tax shall not be~~
259 ~~renewed and~~ the jurisdiction that levied such tax shall be fully subject to the limitations
260 imposed by this subsection.

261 (3) This subsection shall not limit the imposition of any local excise tax, which is
262 separately authorized under Chapter 13 of this title.

263 (4) ~~Except as provided in paragraph (2) of this subsection, if~~ If the imposition of any
264 otherwise authorized local sales tax, local use tax, or local sales and use tax would result
265 in a tax rate in excess of that authorized by this subsection, then such otherwise
266 authorized tax shall not be imposed."

267

SECTION 3-2.

268 Said title is further amended by revising Code Section 48-8-109.31, relating to imposition
 269 of special sales and use tax within special district and limited time and purpose, as follows:
 270 "48-8-109.31.

271 (a) Subject to the requirement of approval by local referendum and the other requirements
 272 of this article, ~~to impose~~ there may be imposed within any given special district a special
 273 sales and use tax for a limited period of time for the limited purpose of property tax relief.

274 (b) Except as to rate, a tax imposed under this part shall correspond to the tax imposed by
 275 Article 1 of this chapter. No item or transaction which is not subject to taxation under
 276 Article 1 of this chapter shall be subject to a tax imposed under this article, except that a
 277 tax imposed under this article shall apply to sales of motor fuels as prepaid local tax as
 278 defined in Code Section 48-8-2 and shall be applicable to the sale of food and food
 279 ingredients and alcoholic beverages as provided for in Code Section 48-8-3.

280 (c) The special sales and use tax provided for in subsection (a) of this Code section may
 281 be imposed by a special district in 0.05 percent increments, but in no event shall such tax
 282 exceed 1 percent in total. The levy of such tax upon sales of motor fuels as defined in
 283 Code Section 48-9-2 shall only be imposed on the retail sales price of the motor fuel which
 284 is not more than \$3.00 per gallon.

285 (d)~~(1)~~ As ~~a condition~~ conditions precedent to the issuance of the call for the referendum:
 286 ~~(1)(A)~~ The governing authority of the county whose geographical boundary is
 287 conterminous with that of the special district and the governing authority or authorities
 288 of all municipalities in such county that levy an ad valorem tax on property, other than
 289 those municipalities that are excluded from the special district pursuant to ~~paragraph (3)~~
 290 subsection (f) of this subsection Code section, shall have in effect a base year value
 291 homestead exemption or adjusted base year value homestead exemption, except that such
 292 condition precedent shall not apply with respect to any municipality that levies an ad

293 valorem tax on property and that represents no more than 5 percent of the special district's
294 residents of municipalities that levy an ad valorem tax on property; and

295 ~~(B)(2)~~ The governing authority of the county whose geographical boundary is
296 conterminous with that of the special district and the governing authority or authorities,
297 if any, that represent at least 50 percent of the special district's residents of municipalities
298 that levy an ad valorem tax on property, other than those municipalities that are excluded
299 from the special district pursuant to ~~paragraph (3) of this subsection (f) of this Code~~
300 section, shall enter into an intergovernmental agreement calling for the tax authorized
301 under this article and specifying the proposed rate of the tax, the proposed maximum
302 period of time that the tax is to be levied, and the proposed distribution of the tax.

303 (e)(1) As used in this subsection, the term 'absent municipality' means any municipality
304 that levies an ad valorem tax on property, other than those municipalities that are
305 excluded from the special district pursuant to subsection (f) of this Code section, and that
306 did not enter into the intergovernmental agreement provided for in paragraph (2) of
307 subsection (d) of this Code section.

308 (2) If the combined total of the populations of all ~~such~~ absent municipalities is less than
309 one-half of the aggregate population of all municipalities located within the special
310 district that levy an ad valorem tax on property, the ~~political subdivisions governing~~
311 authorities entering into ~~the such~~ intergovernmental agreement shall, ~~on~~ in behalf of such
312 absent municipalities, specify a percentage of that portion of the remaining proceeds
313 which each municipality that levies an ad valorem tax on property shall receive, which
314 percentage shall not be less than that proportion which each such absent municipality's
315 population bears to the total population of all municipalities that levy ad valorem taxes
316 on property within the special district multiplied by that portion of the remaining
317 proceeds which are received by all such municipalities within the special district. No
318 portion of the tax shall be apportioned to counties ~~and~~ or municipalities that do not levy

319 an ad valorem tax on property or do not have a base year value homestead exemption or
 320 adjusted base year value homestead exemption in effect.

321 ~~(3)~~(f) Subject to the limitation provided for in Code Section 48-8-6, any special district
 322 which wholly or partially contains a jurisdiction levying the tax provided for under
 323 Article 4 of this chapter is authorized to levy the tax authorized under this article. Such tax
 324 authorized under this article may only be levied in the areas of the special district outside
 325 of the jurisdiction levying the tax provided for under Article 4 of this chapter. Any
 326 jurisdiction levying the tax provided for under Article 4 of this chapter shall not be
 327 considered within the procedure necessary to levy the tax under this article and shall not
 328 be entitled to any portion of said tax."

329

SECTION 3-3.

330 Said title is further amended in Code Section 48-8-109.32, relating to maximum period of
 331 time of the tax, submission to voters to determine imposition of tax, ballot language, and
 332 expenses of election, by adding a new subsection to read as follows:

333 "(e) If no intergovernmental agreement is required pursuant to this article, the governing
 334 authority of the county or consolidated government whose geographical boundary is
 335 conterminous with that of the special district shall adopt a resolution which meets the
 336 requirements provided for in this Code section for intergovernmental agreements."

337

SECTION 3-4.

338 Said title is further amended in Code Section 48-8-109.33, relating to timing for imposition
 339 of tax following approval and termination of tax, by revising paragraph (2) of subsection (a)
 340 and subsection (c) as follows:

341 "(2) With respect to services that are regularly billed on a monthly basis, however, ~~the~~
 342 ~~resolution or ordinance imposing the tax shall become effective and the tax shall apply~~
 343 to the first regular billing period coinciding with or following the effective date specified

344 in paragraph (1) of this subsection. A certified copy of the ~~ordinance~~ intergovernmental
345 agreement or resolution ~~imposing~~ required to impose the tax authorized by this article
346 shall be forwarded to the commissioner to ensure it is received within five business days
347 after certification of the election results."

348 "(c) For any special district in which a tax authorized by this article is in effect ~~may, while~~
349 ~~such tax is in effect~~, the General Assembly may pass a local Act calling for a reimposition
350 of a tax as authorized by this article upon the termination of the tax then in effect, and a
351 referendum may be held for this purpose while the tax is in effect. Proceedings for such
352 reimposition shall be in the same manner as proceedings for the initial imposition of the
353 tax as provided for in Code ~~Section~~ Sections 48-8-109.31 and 48-8-109.32. Such newly
354 authorized tax shall not be imposed until the expiration of the tax then in effect."

355

PART IV

356

SECTION 4-1.

357 (a) This Act shall become effective upon its approval by the Governor or upon its becoming
358 law without such approval and, except as provided in subsection (b) of this section, shall be
359 applicable on and after such date.

360 (b) Part I of this Act shall be applicable to taxable years beginning on or after
361 January 1, 2025.

362

SECTION 4-2.

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