

Senate Bill 355

By: Senators Anavitarte of the 31st and Bearden of the 30th

AS PASSED SENATE

**A BILL TO BE ENTITLED
AN ACT**

1 To provide a homestead exemption from Paulding County school district ad valorem taxes
2 for educational purposes in an amount equal to the amount by which the current year
3 assessed value of a homestead exceeds the adjusted base year assessed value of such
4 homestead; to provide for definitions; to specify the terms and conditions of the exemption
5 and the procedures relating thereto; to provide for applicability; to provide for compliance
6 with constitutional requirements; to provide for a referendum, effective dates, automatic
7 repeal, mandatory execution of election, and judicial remedies regarding failure to comply;
8 to 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
13 Paulding County school district for educational purposes, except for any ad valorem taxes
14 levied to pay 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;

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

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

24 (3) "Base year assessed value" means:

25 (A) With respect to an exemption under this section which is first granted to a person
26 on such person's homestead for the 2027 taxable year, the assessed value for taxable
27 year 2024, including any final determination of value on appeal pursuant to Code
28 Section 48-5-311 of the O.C.G.A., of the homestead; or

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

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

35 (5) "Inflation rate" means the annual inflationary index rate as determined for a given
36 year by the Paulding County tax commissioner in accordance with subsection (f) of this
37 section.

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

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

41 (B) In all other cases, the adjusted base year assessed value of the homestead as
42 calculated in the taxable year immediately preceding the current year, including any

43 final determination of value on appeal pursuant to Code Section 48-5-311 of the
44 O.C.G.A.

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

51 (b)(1) Subject to the limitations provided in this section, each resident of the Paulding
52 County school district is granted an exemption on that person's homestead from ad
53 valorem taxes in an amount equal to the amount by which the current year assessed value
54 of that homestead, including any final determination of value on appeal pursuant to Code
55 Section 48-5-311, exceeds its previous adjusted base year assessed value.

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

59 (c) No person shall receive the exemption granted by subsection (b) of this section unless
60 such person or person's agent files an application with the tax commissioner of Paulding
61 County as will enable the tax commissioner to make a determination regarding the initial
62 and continuing eligibility of such person for such exemption; provided, however, that any
63 person who had previously applied for a homestead exemption, was allowed such
64 homestead exemption for the 2026 tax year, and remains eligible for a homestead
65 exemption for that same homestead property in the 2027 tax year shall be automatically
66 allowed the exemption granted under subsection (b) of this section for that homestead
67 without further application. The tax commissioner shall provide application forms for this
68 purpose.

69 (d) The exemption shall be claimed and returned as provided in Code Section 48-5-50.1
70 of the O.C.G.A., as amended. The exemption shall be automatically renewed from year
71 to year so long as the person granted the homestead exemption under subsection (b) of this
72 section occupies the residence as a homestead. After such person has filed the proper
73 application as provided in subsection (c) of this section, it shall not be necessary to make
74 application thereafter for any year, and such exemption shall continue to be allowed to such
75 person. It shall be the duty of any such person granted the homestead exemption under
76 subsection (b) of this section to notify the tax commissioner of Paulding County in the
77 event that such person for any reason becomes ineligible for such exemption. The
78 unmarried surviving spouse of the person who has been granted the exemption provided
79 for in subsection (b) of this section shall continue to receive the exemption provided under
80 subsection (b) of this section, so long as that unmarried surviving spouse continues to
81 occupy the home as a residence and homestead.

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

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

89 (3) The homestead exemption granted by subsection (b) of this section shall not be
90 applied in addition to any other base year value homestead exemption provided by law
91 with respect to the Paulding County school district. In any such event, the Paulding
92 County tax commissioner shall apply only the base year value homestead exemption that
93 is larger or more beneficial for the taxpayer with respect to the Paulding County school
94 district.

95 (f) For the purposes of this section, the Paulding County tax commissioner shall utilize the
96 Georgia Department of Revenue's promulgated standardized method for determining
97 annual inflationary index rates which reflect the effects of inflation and deflation on the
98 cost of living for residents of this state for a given calendar year. Such method may utilize
99 the Consumer Price Index as reported by the Bureau of Labor Statistics of the United States
100 Department of Labor or any other similar index established by the federal government if
101 the Paulding County tax commissioner determines that such federal index fairly reflects the
102 effects of inflation and deflation on residents of this state.

103 (g) The exemption granted by subsection (b) of this section shall apply to all taxable years
104 beginning on or after January 1, 2027.

105 **SECTION 2.**

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

109 **SECTION 3.**

110 The election superintendent of Paulding County shall call and conduct an election as
111 provided in this section for the purpose of submitting this Act to the electors of the Paulding
112 County school district for approval or rejection. The election superintendent shall conduct
113 that election on the date of the 2026 general primary and shall issue the call and conduct that
114 election as provided by general law. The election superintendent shall cause the date and
115 purpose of the election to be published once a week for two weeks immediately preceding
116 the date thereof in the official organ of Paulding County. The ballot shall have written or
117 printed thereon the words:

118 "() YES Shall the Act be approved which provides a homestead exemption from
 119 Paulding County school district ad valorem taxes for educational purposes
 120 () NO in an amount equal to the amount by which the current year assessed value
 121 of a homestead exceeds the adjusted base year assessed value, including any
 122 final determination of value on appeal pursuant to Code Section 48-5-311
 123 of the O.C.G.A., as amended, of such homestead?"

124 All persons desiring to vote for approval of the Act shall vote "Yes," and all persons desiring
 125 to vote for rejection of the Act shall vote "No." If more than one-half of the votes cast on
 126 such question are for approval of the Act, Section 1 of this Act shall become of full force and
 127 effect on January 1, 2027. If the Act is not so approved or if the election is not conducted
 128 as provided in this section, Section 1 of this Act shall not become effective, and this Act shall
 129 be automatically repealed on the 365th calendar day following the election date provided for
 130 in this section. The expense of such election shall be borne by Paulding County. It shall be
 131 the election superintendent's duty to certify the result thereof to the Secretary of State. The
 132 provisions of this section shall be mandatory upon the election superintendent and are not
 133 intended as directory. If the election superintendent fails or refuses to comply with this
 134 section, any elector of the Paulding County school district may apply for a writ of mandamus
 135 to compel the election superintendent to perform his or her duties under this section. If the
 136 court finds that the election superintendent has not complied with this section, the court shall
 137 fashion appropriate relief requiring the election superintendent to call and conduct such
 138 election on the date required by this section or on the next date authorized for special
 139 elections provided for in Code Section 21-2-540 of the O.C.G.A.

140 **SECTION 4.**

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

143

SECTION 5.

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