

The House Committee on Ways & Means offers the following substitute to SB 382:

A BILL TO BE ENTITLED

AN ACT

1 To amend Titles 20, 21, 36, and 48 of the Official Code of Georgia Annotated, relating to
2 education, elections, local government, and revenue and taxation, respectively, so as to
3 provide for property tax reform; to revise provisions regarding caps on local sales and use
4 tax; to eliminate the use of and to provide for the conversion of certain local sales and use
5 taxes on a date certain; to temporarily allow for the distribution of proceeds relating to the
6 local option sales and use tax (LOST) to be governed by certificates filed by applicable
7 governing authorities; to authorize conversion of the special district option sales and use tax
8 (FLOST); to authorize new special district option sales and use taxes upon resolution of a
9 governing authority; to establish a Local Homestead Option Sales Tax (LHOST); to provide
10 for imposition, collection, and distribution of proceeds; to exclude amounts attributable to
11 certain exemptions from ad valorem taxation from the equalized adjusted school property tax
12 digest for the purpose of calculating the local five mill share and equalization grants; to
13 increase the cap on reserve funds for local school systems; to require the proposed annual
14 operating budget resolution of a local board of education to be approved in a referendum
15 election if such resolution would increase certain revenues raised by the local board of
16 education by a certain amount; to provide that certain proposed increases in revenue
17 collections by local governments must be approved by the voters of such local government;
18 to revise provisions relating to application for homestead exemptions; to provide for

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19 definitions; to limit the dates of a special election presenting a question by a local
20 government to increase revenues; to revise provisions relating to certification of assessed
21 taxable value of property and method of computation, resolution or ordinance required for
22 millage rate, and advertisement of intent to increase property tax; to make the state-wide base
23 year homestead exemption mandatory for all political subdivisions; to provide for annual
24 submissions and review of homestead information across the state; to provide for penalties
25 for failing to report ineligibility for a homestead exemption; to revise the timing for annual
26 reduction of the roll-back rate; to revise provisions relating to application for homestead
27 exemptions; to require municipal officials to submit certain information relating to ad
28 valorem taxes; to prohibit the retroactive assessment of additional ad valorem taxes to a
29 taxpayer due to an improperly or mistakenly applied homestead exemption at no fault of the
30 taxpayer; to repeal the annual calculation and certification of estimated roll-back rate; to
31 make conforming changes; to provide for related matters; to provide for short titles; to
32 provide an effective date; to repeal conflicting laws; and for other purposes.

33 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

34 **PART I**
35 **SECTION 1-1.**

36 This Act shall be known and may be cited as the "Homeownership Opportunity and Market
37 Equalization Act of 2026."

PART II

SECTION 2-1.

Chapter 8 of Title 48 of the Official Code of Georgia Annotated, relating to state sales and use taxes, is amended by revising Code Section 48-8-6, relating to prohibition of political subdivisions from imposing various taxes, ceiling on local sales and use tax, and taxation of mobile telecommunications, as follows:

"48-8-6.

(a)(1) ~~Except~~ Until December 31, 2027, ~~except~~ as provided in this subsection, on and after July 1, 2024, there shall not be imposed in any jurisdiction in this state or on any transaction in this state local sales taxes, local use taxes, or local sales and use taxes in excess of 2 percent. For purposes of such 2 percent limitation, the taxes affected are any sales tax, use tax, or sales and use tax which is levied in an area consisting of less than the entire state, however authorized, including such taxes authorized by or pursuant to constitutional amendment, and regardless of whether another provision of law purports to the contrary except for the following:

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

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

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

66 (2) Notwithstanding any provision of law to the contrary, any tax that does not comply
67 with the limitations provided in paragraph (1) of this subsection as of July 1, 2025, but
68 was initiated in compliance with the law in effect prior to January 1, 2025, shall be
69 allowed to continue as authorized under laws that existed prior to July 1, 2025; provided,
70 however, that, upon the expiration or termination of any such tax, the jurisdiction that
71 levied such tax shall be fully subject to the limitations imposed by this subsection.

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

74 (4) If the imposition of any otherwise authorized local sales tax, local use tax, or local
75 sales and use tax would result in a tax rate in excess of that authorized by this subsection,
76 then such otherwise authorized tax shall not be imposed.

77 (5) This subsection shall stand repealed and reserved on December 31, 2027.

78 (b)(1) On and after January 1, 2028, there shall not be imposed in any jurisdiction in this
79 state or on any transaction in this state local sales taxes, local use taxes, or local sales and
80 use taxes in excess of 5 percent. For purposes of such 5 percent limitation, the taxes
81 affected are any sales tax, use tax, or sales and use tax which is levied in an area
82 consisting of less than the entire state, however authorized, including such taxes
83 authorized by or pursuant to constitutional amendment, and regardless of whether another
84 provision of law purports to the contrary except for the following:

85 (A) Sales and use taxes levied and collected pursuant to Part 3 of Article 2A and
86 Article 4 of this chapter; and

87 (B) Any tax levied for purposes of a metropolitan area system of public transportation,
88 as authorized by the amendment to the Constitution set out at Georgia Laws, 1964,
89 page 1008, the continuation of such amendment under Article XI, Section I,

90 Paragraph IV(d) of the Constitution, and the laws enacted pursuant to such
91 constitutional amendment.

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

94 (3) If the imposition of any otherwise authorized local sales tax, local use tax, or local
95 sales and use tax would result in a tax rate in excess of that authorized by paragraph (1)
96 of this subsection, then such otherwise authorized tax shall not be imposed. Reserved.

97 (c) Where the exception specified in paragraph (2) of subsection (a) of this Code section
98 applies, the tax imposed under subparagraph (a)(1)(D) of Code Section 48-8-111 shall not
99 apply to the sale of motor vehicles. This subsection shall stand repealed and reserved on
100 December 31, 2027.

101 (c.1) Where the exception specified in paragraph (2) of subsection (a) of this Code section
102 applies, on and after July 1, 2007, the aggregate amount of all excise taxes imposed under
103 paragraph (5) of subsection (a) of Code Section 48-13-51 and all sales and use taxes shall
104 not exceed 14 percent. This subsection shall stand repealed on December 31, 2027.

105 (d) Notwithstanding any law or ordinance to the contrary, any tax, charge, or fee levied
106 by any political subdivision of this state and applicable to mobile telecommunications
107 services, as defined in Section 124(7) of the federal Mobile Telecommunications Sourcing
108 Act, 4 U.S.C. Section 124(7), shall apply only if the customer's place of primary use is
109 located within the boundaries of the political subdivision levying such local tax, charge,
110 or fee. For purposes of this subsection, the provisions of Code Section 48-8-13 shall apply
111 in the same manner and to the same extent as such provisions apply to the tax levied by
112 Code Section 48-8-1 on mobile telecommunications services. This subsection shall not be
113 construed to authorize the imposition of any tax, charge, or fee."

114 **SECTION 2-2.**

115 Said chapter is further amended in paragraph (1) of subsection (a) of Code Section 48-8-201,
116 relating to intergovernmental contract for distribution of tax proceeds, approval of
117 referendum by voters, cap on aggregate amount of tax, and rate, by striking "paragraph (2)
118 of subsection (a)" and replacing it with "subsection (b)".

119 **SECTION 2-3.**

120 Chapter 13 of Title 48 of the Official Code of Georgia Annotated, relating to specific,
121 business, and occupation taxes, is amended in division (b)(7)(B)(ii) of Code
122 Section 48-13-51, relating to county and municipal levies on public accommodations charges
123 for promotion of tourism, conventions, and trade shows, by striking "subsection (c.1) of Code
124 Section 48-8-6 and".

125 **PART III**126 **SECTION 3-1.**

127 Article 2 of Chapter 8 of Title 48 of the Official Code of Georgia Annotated, relating to joint
128 county and municipal sales and use tax (LOST), is amended by adding a new Code section
129 to read as follows:

130 "48-8-98.

131 (a) Any sales and use tax imposed pursuant to this article as of December 31, 2027, shall
132 be converted by operation of law on January 1, 2028, into a sales and use tax pursuant to
133 Article 2C of this chapter; provided, however, that the distribution of proceeds of any such
134 sales and use tax in effect prior to January 1, 2028, shall continue to be governed by the
135 terms of the certificate filed with the commissioner by the applicable governing authority,
136 pursuant to Code Section 48-8-89, until January 1, 2032, after which date the distribution

137 of proceeds of any such sales and use tax shall be governed exclusively by the terms of
138 Article 2C of this chapter.

139 (b) Any millage rate adjustments due to the elimination of a sales and use tax pursuant to
140 this article pursuant to subsection (a) of this Code section shall be exempt from the
141 roll-back calculation provided in Code Section 48-5-32.1.

142 (c) On and after January 1, 2028, no sales and use tax may be imposed pursuant to this
143 article."

144 **SECTION 3-2.**

145 Part 1 of Article 2A of Chapter 8 of Title 48 of the Official Code of Georgia Annotated,
146 relating to homestead option sales and use tax (HOST), is amended by adding a new Code
147 section to read as follows:

148 "48-8-109.01.

149 (a) Any sales and use tax imposed pursuant to this part as of December 31, 2027, shall be
150 converted by operation of law on January 1, 2028, into a sales and use tax pursuant to
151 Article 2C of this chapter.

152 (b) On and after January 1, 2028, no sales and use tax may be imposed pursuant to this
153 part."

154 **SECTION 3-3.**

155 Part 2 of Article 2A of Chapter 8 of Title 48 of the Official Code of Georgia Annotated,
156 relating to equalized homestead option sales tax (EHOST), is amended by adding a new
157 Code section to read as follows:

158 "48-8-109.11.

159 (a) Any sales and use tax imposed pursuant to this part as of December 31, 2027, shall be
160 converted by operation of law on January 1, 2028, into a sales and use tax pursuant to
161 Article 2C of this chapter.

162 (b) On and after January 1, 2028, no sales and use tax may be imposed pursuant to this
 163 part."

164 **SECTION 3-4.**

165 Part 3 of Article 2A of Chapter 8 of Title 48 of the Official Code of Georgia Annotated,
 166 relating to revised homestead option sales and use tax (RHOST), is amended by adding a
 167 new Code section to read as follows:

168 "48-8-109.25.

169 (a) Any sales and use tax imposed pursuant to this part as of December 31, 2027, shall be
 170 converted by operation of law on January 1, 2028, into a sales and use tax pursuant to
 171 Article 2C of this chapter.

172 (b) On and after January 1, 2028, no sales and use tax may be imposed pursuant to this
 173 part."

174 **SECTION 3-5.**

175 Article 2B of Chapter 8 of Title 48 of the Official Code of Georgia Annotated, relating to
 176 special district option sales and use tax (FLOST), is amended by revising Code Section
 177 48-8-109.31, relating to imposition of special sales and use tax within special district and
 178 limited time and purpose, as follows:

179 "48-8-109.31.

180 (a) Subject to the requirement of ~~approval by local referendum~~ adoption of a resolution
 181 and the other requirements of this article, there may be imposed within any given special
 182 district a special sales and use tax for a limited period of time for the limited purpose of
 183 property tax relief.

184 (b) Except as to rate, a tax imposed under this part shall correspond to the tax imposed by
 185 Article 1 of this chapter. No item or transaction which is not subject to taxation under
 186 Article 1 of this chapter shall be subject to a tax imposed under this article, except that a

187 tax imposed under this article shall apply to sales of motor fuels as prepaid local tax as
188 defined in Code Section 48-8-2 and shall be applicable to the sale of food and food
189 ingredients and alcoholic beverages as provided for in Code Section 48-8-3.

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

195 (d) ~~As conditions precedent to the issuance of the call for the referendum~~ adoption of a
196 resolution by the governing authority to impose a levy pursuant to this article:

197 (1) The governing authority of the county whose geographical boundary is conterminous
198 with that of the special district and the governing authority or authorities of all
199 municipalities in such county that levy an ad valorem tax on property, other than those
200 municipalities that are excluded from the special district pursuant to subsection (f) of this
201 Code section, shall have in effect a base year value homestead exemption or adjusted
202 base year value homestead exemption, except that such condition precedent shall not
203 apply with respect to any municipality that levies an ad valorem tax on property and that
204 represents no more than 5 percent of the special district's residents of municipalities that
205 levy an ad valorem tax on property; and

206 (2) The governing authority of the county whose geographical boundary is conterminous
207 with that of the special district and the governing authority or authorities, if any, that
208 represent at least 50 percent of the special district's residents of municipalities that levy
209 an ad valorem tax on property, other than those municipalities that are excluded from the
210 special district pursuant to subsection (f) of this Code section, shall enter into an
211 intergovernmental agreement calling for the tax authorized under this article and
212 specifying the proposed rate of the tax, the proposed maximum period of time that the tax
213 is to be levied, and the proposed distribution of the tax.

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

219 (2) If the combined total of the populations of all absent municipalities is less than
220 one-half of the aggregate population of all municipalities located within the special
221 district that levy an ad valorem tax on property, the governing authorities entering into
222 such intergovernmental agreement shall, in behalf of such absent municipalities, specify
223 a percentage of that portion of the remaining proceeds which each municipality that
224 levies an ad valorem tax on property shall receive, which percentage shall not be less than
225 that proportion which each such absent municipality's population bears to the total
226 population of all municipalities that levy ad valorem taxes on property within the special
227 district multiplied by that portion of the remaining proceeds which are received by all
228 such municipalities within the special district. No portion of the tax shall be apportioned
229 to counties or municipalities that do not levy an ad valorem tax on property or do not
230 have a base year value homestead exemption or adjusted base year value homestead
231 exemption in effect.

232 (f) Subject to the limitation provided for in Code Section 48-8-6, any special district which
233 wholly or partially contains a jurisdiction levying the tax provided for under Article 4 of
234 this chapter is authorized to levy the tax authorized under this article. Such tax authorized
235 under this article may only be levied in the areas of the special district outside of the
236 jurisdiction levying the tax provided for under Article 4 of this chapter. Any jurisdiction
237 levying the tax provided for under Article 4 of this chapter shall not be considered within
238 the procedure necessary to levy the tax under this article and shall not be entitled to any
239 portion of said tax."

240 **SECTION 3-6.**

241 Said article is further amended by revising Code Section 48-8-109.32, relating to maximum
242 period of time of the tax, submission to voters to determine imposition of tax, ballot
243 language, expenses of election, and resolution, as follows:

244 "48-8-109.32.

245 (a) Except as otherwise provided in subsection (b) of this Code section, the The
246 intergovernmental agreement required by this article shall specify the maximum period of
247 time of the tax, to be stated in calendar years or calendar quarters not to exceed five years
248 in total; provided, however, that any intergovernmental agreement in effect on the day prior
249 to the effective date of this Act may be extended by resolution of the governing authorities
250 which are party to such agreement.

251 (b) On and after the effective date of this Act, the intergovernmental agreement required
252 by this article shall specify the maximum period of time of the tax, to be stated in calendar
253 years or calendar quarters not to exceed ten years in total.

254 ~~(b) Each such intergovernmental agreement shall prescribe that the county election~~
255 ~~superintendent shall issue the call for an election for the purpose of submitting the question~~
256 ~~of the imposition of the tax authorized by this article to the voters of the county. The call~~
257 ~~for and conduct of any such election shall be in the manner authorized under Code Section~~
258 ~~21-2-540, on a date specified by the intergovernmental agreement from among the dates~~
259 ~~allowed under paragraph (2) of subsection (c) of Code Section 21-2-540. Such election~~
260 ~~superintendent shall cause the date and purpose of the election to be published once a~~
261 ~~week for four weeks immediately preceding the date of the election in the legal organ of~~
262 ~~the county or in a newspaper having general circulation in the county at least equal to that~~
263 ~~of the legal organ.~~

264 ~~(c) The exact ballot language shall be prescribed in the intergovernmental agreement~~
265 ~~which imposes the tax authorized by this article, but shall contain, at a minimum, the~~
266 ~~purpose of the tax, the rate of the tax, and the duration for which the tax shall be imposed.~~

267 ~~(d) All persons desiring to vote in favor of imposing the tax shall vote 'Yes' and all persons~~
 268 ~~opposed to levying the tax shall vote 'No.' If more than one-half of the votes cast are in~~
 269 ~~favor of imposing the tax, then the tax shall be imposed as provided in this article;~~
 270 ~~otherwise, the tax shall not be imposed and the question of imposing the tax shall not again~~
 271 ~~be submitted to the voters of the special district until after 12 months immediately~~
 272 ~~following the month in which the election was held; provided, however, that, if an election~~
 273 ~~date authorized under paragraph (2) of subsection (c) of Code Section 21-2-540 occurs~~
 274 ~~during the twelfth month immediately following the month in which such election was~~
 275 ~~held, the question of imposing the tax may be submitted to the voters of the special district~~
 276 ~~on such date. The county election superintendent shall hold and conduct the election under~~
 277 ~~the same rules and regulations as govern special elections. Such election superintendent~~
 278 ~~shall canvass the returns, declare the result of the election, and certify the result to the~~
 279 ~~Secretary of State and to the commissioner. The expense of the election shall be paid from~~
 280 ~~county funds.~~

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

285 **SECTION 3-7.**

286 Said article is further amended by revising Code Section 48-8-109.33, relating to timing for
 287 imposition of tax following approval and termination of tax, as follows:

288 "48-8-109.33.

289 (a)(1) If the imposition of the tax is approved by referendum pursuant to an
 290 intergovernmental agreement and the adoption of a resolution by each governing
 291 authority which is a party to such agreement in accordance with the provisions of this
 292 article, the tax shall be imposed on the first day of the next succeeding calendar quarter

293 which begins more than 50 days after the date of the election at which the tax was
 294 approved by the voters.

295 (2) With respect to services that are regularly billed on a monthly basis, however, the tax
 296 shall apply to the first regular billing period coinciding with or following the effective
 297 date specified in paragraph (1) of this subsection. A certified copy of the
 298 intergovernmental agreement ~~or~~ and resolution required to impose the tax authorized by
 299 this article shall be forwarded to the commissioner to ensure it is received within five
 300 business days ~~after certification of the election results~~ of adoption of such resolution or
 301 resolutions.

302 (b) The tax shall cease to be imposed on the final day of the maximum period of time
 303 specified for the imposition of the tax.

304 (c) For any special district in which a tax authorized by this article is in effect, the General
 305 Assembly may pass a local Act calling for a reimposition of a tax as authorized by this
 306 article upon the termination of the tax then in effect, ~~and a referendum may be held for this~~
 307 ~~purpose while the tax is in effect~~. Proceedings for such reimposition shall be in the same
 308 manner as proceedings for the initial imposition of the tax as provided for in Code Sections
 309 48-8-109.31 and 48-8-109.32. Such newly authorized tax shall not be imposed until the
 310 expiration of the tax then in effect."

311 **SECTION 3-8.**

312 Said article is further amended by revising Code Section 48-8-109.36, relating to
 313 disbursement of proceeds, as follows:

314 "48-8-109.36.

315 The proceeds of the tax collected by the commissioner under this article shall be disbursed
 316 as soon as practicable after collection as follows:

317 (1) One percent of the amount collected shall be paid into the general fund of the state
 318 treasury to defray the costs of administration; and

319 (2) The remaining proceeds of the tax shall be distributed to the county whose boundary
 320 is conterminous with the boundary of the special district to be distributed thereafter by
 321 such county among the political subdivisions within the special district in accordance
 322 with the distribution schedule, which shall be prescribed in the intergovernmental
 323 agreement, or resolution if there is no intergovernmental agreement, imposing the tax."

324 **SECTION 3-9.**

325 Said article is further amended by revising Code Section 48-8-109.42, relating to use of tax
 326 proceeds, property tax relief requirements, and noncompliance, as follows:

327 "48-8-109.42.

328 (a) Any proceeds received by a political subdivision from the tax authorized by this article
 329 shall be used by such political subdivision exclusively for tax relief and in conjunction with
 330 all limitations provided in the intergovernmental agreement, or resolution if there is no
 331 intergovernmental agreement, authorizing the tax for such political subdivision.

332 (b)(1) Each taxpayer's ad valorem tax bill shall clearly state the dollar amount by which
 333 the property tax has been reduced as a result of the imposition of the tax imposed under
 334 this article.

335 (2) The roll-back rate for the political subdivision, which is calculated under Code
 336 Section 48-5-32.1, shall be reduced annually by the millage equivalent of the net
 337 proceeds of the tax authorized under this article, which proceeds were received by the
 338 political subdivision during the prior taxable year; provided, however, that, with respect
 339 only to the proceeds of the tax received by a political subdivision prior to July 1 of the
 340 first year in which the tax is imposed under this article for such political subdivision, the
 341 governing authority of such political subdivision may elect to apply the millage
 342 equivalent of such net proceeds as a reduction in the millage rate imposed for such first
 343 year and, if such election is made by the political subdivision, the balance of all proceeds

344 of the tax remaining from such first year shall be applied in the subsequent tax year as
 345 otherwise required by this subsection.

346 (c) If any political subdivision is not in compliance with the use of the proceeds of a tax
 347 levied under this article, the commissioner shall not certify the tax digest of such political
 348 subdivision until it complies with this Code section."

349 **SECTION 3-10.**

350 Said article is further amended by adding a new Code section to read as follows:

351 "48-8-109.43.

352 Any sales and use tax imposed pursuant to this article as of December 31, 2027, may be
 353 converted upon approval by local referendum on or after January 1, 2028, into a sales and
 354 use tax pursuant to Article 2C of this chapter. Any funds accrued pursuant to this article
 355 prior to any such conversion shall be distributed to counties and municipalities pursuant
 356 to the intergovernmental agreement and used for the purpose of homestead property tax
 357 relief."

358 **PART IV**

359 **SECTION 4-1.**

360 Chapter 8 of Title 48 of the Official Code of Georgia Annotated, relating to sales and use tax,
 361 is amended by adding a new article to read as follows:

362 "ARTICLE 2C

363 48-8-109.50.

364 (a) This article shall be known and may be cited as the 'Local Homestead Option Sales
 365 Tax' (LHOST).

366 (b) As used in this article, the term:

367 (1) 'Eligible local government' means each county, consolidated government, and
368 municipality whose governing authority levied and derived revenue from an ad valorem
369 tax on homestead property within the special district at a net millage rate of greater than
370 zero in the tax year immediately preceding the year in which the intergovernmental
371 agreement was executed. Such term excludes any consolidated government which elects
372 to implement a sales and use tax pursuant to Code Section 48-8-96 or 48-8-97.

373 (2) 'Homestead' means homestead as defined and qualified in Code Section 48-5-40, with
374 the additional limitation that such term shall include:

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

377 (B) If the property is assessed pursuant to Code Section 48-5-7.4 or 48-5-7.7, only the
378 primary residence and the portion of the underlying property that is excluded from the
379 benefit of such assessment pursuant to subparagraph (a)(1)(B) of Code Section 48-5-7.4
380 or subparagraph (b)(2)(B) of Code Section 48-5-7.7.

381 (3) 'Local Homestead Option Sales Tax' or 'LHOST' means any special sales and use tax
382 levied under this article to provide funds for the purpose of homestead property tax relief.

383 48-8-109.51.

384 (a) Pursuant to the authority granted by Article IX, Section II, Paragraph VI of the
385 Constitution of this state, there are created within this state 159 special districts. The
386 geographical boundary of each county shall correspond with and shall be conterminous
387 with the geographical boundary of one of the 159 special districts.

388 (b) The territory of each special district shall include all of the territory within the county,
389 including all municipalities, to the extent the municipal boundaries lie within the
390 geographical boundaries of the county.

391 48-8-109.52.

392 (a) Subject to the requirements of this article, beginning January 1, 2028, there may be
393 imposed within any given special district a special sales and use tax to be used to provide
394 funds for the purpose of homestead property tax relief.

395 (b) Subject to the aggregate limits provided in Code Section 48-8-6, an LHOST
396 of 1 percent may be imposed within a special district.

397 (c) Except as otherwise provided in this article, the LHOST shall correspond to the tax
398 imposed by Article 1 of this chapter, and no item or transaction which is not subject to
399 taxation under Article 1 of this chapter shall be subject to a tax imposed under this article;
400 provided, however, that a tax imposed under this article shall apply to sales of motor fuels
401 as prepaid local tax as defined in Code Section 48-8-2 and shall be applicable to the sale
402 of food and food ingredients and alcoholic beverages as provided for in Code
403 Section 48-8-3. The levy of such tax upon sales of motor fuels as defined in Code
404 Section 48-9-2 shall only be imposed on the retail sales price of the motor fuel which is not
405 more than \$3.00 per gallon.

406 48-8-109.53.

407 (a) For the LHOST to be levied within a special district for the benefit of eligible local
408 governments within the special district, the governing authority of the county whose
409 geographical boundary is conterminous with that of the special district shall deliver or mail
410 a written notice to the governing authority of each municipality which is an eligible local
411 government located within the special district. Such notice shall contain the date, time,
412 place, and purpose of a meeting at which the governing authorities of the county and of
413 each such municipality are to meet to discuss the possible inclusion of funding for the
414 purpose of homestead property tax relief for each such municipality. Such notice shall be
415 delivered or mailed at least ten days prior to the date of the meeting which shall be held at
416 least 30 days prior to entering into an intergovernmental agreement or adopting a

417 resolution. The governing authority of the county and the governing authority or
418 authorities, if any, that represent at least 50 percent of the special district's residents of
419 municipalities which are eligible local governments may enter into an intergovernmental
420 agreement and adopt such intergovernmental agreement by resolution. The only terms that
421 may be agreed to in relation to an LHOST are:

- 422 (1) The rate of the tax;
423 (2) The maximum period of time stated in calendar years or quarters for which the tax
424 is to be levied, which shall not exceed ten years;
425 (3) The date on which the tax will commence; and
426 (4) The proposed distribution of the proceeds of the tax.

427 In the event that the parties have not entered into an intergovernmental agreement within
428 60 days of the county's delivery or mailing of the notice as required in this paragraph, the
429 county shall be authorized to adopt a resolution imposing the tax authorized under the
430 terms of this article, provided that the distribution of the proceeds of the tax shall be as
431 provided for in Code Section 48-8-109.56 at a rate necessary to provide funds for the
432 purpose of homestead property tax relief within the special district levying the LHOST.

433 (b) Once the conditions of subsection (a) of this Code section are satisfied and the county
434 submits a copy of the required resolution or intergovernmental agreement to the
435 commissioner, the tax shall be imposed on the date specified in the resolution or
436 agreement; provided, however, that such date shall not be earlier than the first day of the
437 next succeeding calendar quarter which begins more than 50 days after the date that the
438 resolution or agreement is received by the commissioner; provided, further, that, with
439 respect to services that are regularly billed on a monthly basis, the tax shall apply to the
440 first regular billing period coinciding with or following the effective date specified in this
441 subsection.

442 (c) The tax shall cease to be imposed on the final day of the maximum period of time
443 specified in the resolution or intergovernmental agreement for the imposition of the tax;

444 provided, however, that the tax may cease at any earlier specified time through the
445 adoption of concurring resolutions by each eligible local government which was party to
446 the existing intergovernmental agreement; provided, further, that any tax initially imposed
447 pursuant to this article prior to January 1, 2037, shall automatically expire on December
448 31, 2037, but shall automatically renew in accordance with subsection (d) of this Code
449 section.

450 (d) The tax may be renewed for any special district in the same manner and under the same
451 conditions as for an initial imposition of an LHOST within the special district as provided
452 for in this article; provided, however, that any tax initially imposed pursuant to this article
453 prior to January 1, 2037, that automatically expires on December 31, 2037, pursuant to
454 subsection (c) of this Code section, shall be automatically reimposed for an additional
455 period of ten years unless otherwise provided by a local Act of the General Assembly. Such
456 newly authorized tax shall not be imposed until the expiration of the tax then in effect.

457 (e) If there is only one governing authority within the special district that would be
458 otherwise required to enter into an intergovernmental agreement, the governing authority
459 of such county or consolidated government whose geographical boundary is conterminous
460 with that of the special district shall adopt a resolution which meets the requirements
461 provided for in this Code section for intergovernmental agreements.

462 48-8-109.54.

463 (a) Each LHOST shall be exclusively administered and collected by the commissioner for
464 the use and benefit of the special district imposing the tax. Such administration and
465 collection shall be accomplished in the same manner and subject to the same applicable
466 provisions, procedures, and penalties provided in Article 1 of this chapter except that the
467 LHOST shall be applicable to sales of motor fuels as prepaid local tax as defined in Code
468 Section 48-8-2; provided, however, that all moneys collected from each taxpayer by the
469 commissioner shall be applied first to such taxpayer's liability for taxes owed the state; and

470 provided, further, that the commissioner may rely upon a representation by or on behalf of
471 the county government or the Secretary of State that such a tax has been validly imposed,
472 and the commissioner and the commissioner's agents shall not be liable to any person for
473 collecting any such tax which was not validly imposed.

474 (b) Dealers, as defined in Code Section 48-8-2, shall be allowed a percentage of the
475 amount of the tax due and accounted for and shall be reimbursed in the form of a deduction
476 in submitting, reporting, and paying the amount due if such amount is not delinquent at the
477 time of payment. Such dealer deduction shall be at the rate and subject to the requirements
478 specified under subsections (b) through (f) of Code Section 48-8-50.

479 48-8-109.55.

480 (a) The proceeds of the tax collected by the commissioner under this article shall be
481 disbursed as soon as practicable after collection directly to the county whose boundary is
482 conterminous with the boundary of the special district and shall be held in a separately
483 designated interest-bearing account for the eligible local governments of the special
484 district.

485 (b) The funds of an account provided for in subsection (a) of this Code section shall only
486 be removed or disbursed by such county to eligible local governments within the special
487 district in accordance with this article, unless otherwise provided for in an
488 intergovernmental agreement entered into pursuant to subsection (a) of Code
489 Section 48-8-109.53, in which case such removal or disbursement of funds from an account
490 shall be in accordance with the provisions of such intergovernmental agreement.

491 (c) No funds other than the annual LHOST proceeds, and interest accrued thereon, shall
492 be placed in such accounts and shall not be commingled with any other funds.

493 48-8-109.56.

494 (a) The proceeds of any tax authorized under this article shall be used for the purpose of
495 homestead property tax relief.

496 (b)(1) For an LHOST imposed for more than one eligible local government within a
497 special district, following the adoption of millage rates each year by all such eligible local
498 governments, the county tax commissioner shall calculate the proportional share of
499 proceeds to be distributed to each local government in accordance with the
500 intergovernmental agreement or as necessary to provide funds to each eligible local
501 government for property tax relief for homestead properties within the special district.

502 (2) In the event that the proceeds collected for a special district exceed the total revenue
503 necessary to provide full property tax relief for homestead properties within the special
504 district, the excess proceeds shall be distributed to each eligible local government to
505 provide for property tax relief for nonhomestead properties within the special district.

506 (3) In the event proceeds remain following the application of paragraphs (1) and (2) of
507 this subsection, such excess proceeds shall be used by the eligible local government or
508 governments for funding all or any portion of those services which are to be provided by
509 such eligible local government or governments pursuant to and in accordance with
510 Article IX, Section II, Paragraph III of the Constitution of this state.

511 (c) In the event an eligible local government fails to submit its adopted millage rates by
512 August 1, the county tax commissioner shall use 75 percent of such eligible local
513 government's prior year's millage rate in the calculation under subsection (b) of this Code
514 section, and the county shall only disburse under subsection (b) of this Code section the
515 lesser of such amount and the net millage rate actually levied by such eligible local
516 government in the current year.

517 (d) Notwithstanding any provision of law to the contrary, a county or municipality shall
518 be considered an eligible local government if in the preceding year the tax authorized under
519 Article 2 or Article 2B of this chapter was levied within the special district containing such

520 county or municipality, such county or municipality received funds from the levy of either
521 tax, either tax is no longer levied in the current year, and such county or municipality
522 adopts and submits a millage rate by August 1.

523 48-8-109.57.

524 The commissioner shall have the power and authority to promulgate such rules and
525 regulations as shall be necessary for the effective and efficient administration and
526 enforcement of the collection of the tax authorized by this article.

527 48-8-109.58.

528 Except as otherwise provided in this article or Code Section 48-8-6, the tax authorized by
529 this article shall be in addition to any other local sales and use tax. The imposition of any
530 other local sales and use tax within a county, municipality, or special district shall not
531 affect the authority of a county, municipality, or special district to impose the tax
532 authorized by this article, and the imposition of the tax authorized by this article shall not
533 affect the imposition of any otherwise authorized local sales and use tax within a county,
534 municipality, or special district.

535 48-8-109.59.

536 The proceeds from any sales and use tax for a given special district levied as of December
537 31, 2027, under Article 2, Part 1 of Article 2A, Part 2 of Article 2A, or Part 3 of Article 2A
538 of this chapter shall, as of January 1, 2028, be reallocated for the purposes of this article."

539

PART V

540

SECTION 5-1.

541 Part 4 of Article 6 of Chapter 2 of Title 20 of the Official Code of Georgia Annotated,
542 relating to financing under the "Quality Basic Education Act," is amended in Code Section
543 20-2-164, relating to local five mill share funds, by revising subsection (g) as follows:

544 "(g) For purposes of calculation under this Code section and Code Section 20-2-165, the
545 equalized adjusted school property tax digest, adjusted by paragraph (1) of subsection (a)
546 of this Code section, shall be reduced by the sum of the following products:

547 (1) The product of the number of constitutional homestead exemptions for owner
548 occupied homes pursuant to Code Section 48-5-44 granted for that year, exclusive of
549 those homestead exemptions provided pursuant to Code Sections 48-5-47, 48-5-48, and
550 48-5-52, multiplied by the amount per exemption authorized under Code Section 48-5-44;
551 provided, further, that, in any city operating an independent school system which
552 provides a homestead exemption through local legislation comparable to that provided
553 in Code Section 48-5-44, the product calculated in this paragraph shall represent the
554 number of homestead exemptions provided through the applicable local legislation
555 multiplied by the amount per exemption authorized in Code Section 48-5-44, or by the
556 amount per exemption authorized in the applicable local legislation, whichever is less;
557 and provided, further, that, if the amount per exemption authorized in Code
558 Section 48-5-44 has been changed subsequent to the year of the applicable digest, the
559 more recently adopted amount per exemption shall be used for the product calculated in
560 this paragraph;

561 (2) The product of the number of constitutional homestead exemptions for disabled
562 veterans pursuant to Code Section 48-5-48 granted for that year, multiplied by the amount
563 per exemption authorized under that Code section; provided, further, that, in any city
564 operating an independent school system which provides a homestead exemption through

565 local legislation comparable to that provided in Code Section 48-5-48, the product
566 calculated in this paragraph shall represent the number of homestead exemptions
567 provided through the applicable local legislation multiplied by the amount per exemption
568 authorized in the applicable local legislation, whichever is less; and provided, further,
569 that, if the amount per exemption authorized in Code Section 48-5-48 has been changed
570 subsequent to the year of the applicable digest, the more recently adopted amount per
571 exemption shall be used for the product calculated in this paragraph;

572 (3) The product of the estimated number of persons age 65 or older residing in the local
573 school system during that year multiplied by 5,000;

574 (4) The product which results from the following calculations:

575 (A) Subtract the estimated state-wide percentage that persons age 65 or older is of the
576 total population, excluding military personnel and institutional population, from the
577 respective percentage for the local school system. If the respective percentage for the
578 local school system is less than the state-wide percentage, a difference of zero shall be
579 used in the calculations in this paragraph;

580 (B) Multiply the difference which results from subparagraph (A) of this paragraph by
581 1,000; and

582 (C) Multiply the product which results from subparagraph (B) of this paragraph by the
583 estimated number of persons age 65 or older residing in the local school system during
584 that year; and

585 (5) The product which results from the following calculations:

586 (A) Divide the amount reported in paragraph (4) of subsection (e) of this Code section
587 by the average ratio of assessed value to true value used to calculate the most recent
588 equalized adjusted school property tax digest pursuant to Code Section 48-5-274; and

589 (B) Multiply the quotient which results from subparagraph (A) of this paragraph by .4;

590 (6) The difference between the assessed value and the net taxable assessed value of all
 591 properties for which an exemption pursuant to Code Section 48-5-44.2 was granted for
 592 that year;

593 (7) The difference between the assessed value and the net taxable assessed value of all
 594 properties for which an exemption authorized pursuant to a local constitutional
 595 amendment or Article VII, Section II, Paragraph II(a) of the Constitution was granted in
 596 that year; and

597 (8) The product of the value of all tangible personal property for which level 1 freeport
 598 exemptions pursuant to Code Sections 48-5-48.1 and 48-5-48.2 were granted for that
 599 year, multiplied by .4."

600 **SECTION 5-2.**

601 Said part is further amended in paragraph (5) of subsection (a) of Code Section 20-2-167,
 602 relating to funding for direct instructional, media center, and staff development costs,
 603 computerized uniform budget and accounting system, submission of local budget to state
 604 board, and provision of certain information by local boards, by striking "15 percent" and
 605 replacing it with "25 percent".

606 **SECTION 5-3.**

607 Said part is further amended in Code Section 20-2-167.1, relating to public meetings on
 608 proposed annual operating budget, notice, electronic copies, and exception for certain
 609 nonprofits, by revising subsection (b) as follows:

610 "(b)(1) Each governing body shall hold at least two public meetings, which shall not
 611 occur within the same week, for the purpose of providing an opportunity for public input
 612 on its proposed annual operating budget before adopting any budget; provided, however,
 613 that any other public meeting or hearing held that is related to the budget as required by
 614 law shall satisfy all or a portion of such requirement. The governing body of a charter

615 school with a state-wide attendance zone and students residing in 25 percent or more of
616 Georgia's counties or in three or more counties which are not geographically contiguous
617 shall conduct one such public meeting virtually and one such public meeting in the
618 county in which its primary business office is located. The public meetings shall be
619 advertised in a local newspaper of general circulation which shall be the same newspaper
620 in which other legal announcements of the board of education are advertised.

621 (2)(A)(i) On and after January 1, 2028, no proposed annual operating budget
622 resolution that would result in an increase in the revenues raised by the local board
623 of education from the levy and collection of ad valorem property taxes by an amount
624 that exceeds the greater of 3 percent or the percent change in the rate of economic
625 inflation on individual taxpayers as determined under the Consumer Price Index, as
626 reported by the Bureau of Labor Statistics of the United States Department of Labor,
627 of the amount of such revenues raised by the local board of education shall go into
628 effect unless the General Assembly enacts a local Act authorizing such increase or the
629 electors of the local school system have approved such budget resolution in a
630 referendum election. In calculating whether a proposed annual operating budget
631 resolution would result in such an increase in the revenues raised by the local board
632 of education, increases in revenue attributable to economic growth and the levies of
633 ad valorem property tax for costs incurred pursuant to a state of emergency declared
634 by any federal, state, or local emergency management agency, official, or authority
635 shall not be counted.

636 (ii) The call for and conduct of any such election shall be in the manner authorized
637 under Code Section 21-2-540. The costs of any referendum held pursuant to this
638 paragraph shall be paid by the local board of education. The exact ballot language
639 shall be prescribed by the local board of education but shall contain, at a minimum,
640 the projected amount of revenue to be generated by the budget resolution; the amount
641 of revenue received by the local board of education in the previous fiscal year; and

642 a statement as to whether or not such projected revenue increase is the result of an
643 increase in the levy or rate of ad valorem property taxes. All persons desiring to vote
644 in favor of the budget resolution shall vote 'Yes' and all persons opposed to the budget
645 resolution shall vote 'No.' If more than one-half of the votes cast are in favor of the
646 budget resolution, then the budget resolution shall go into effect as provided by law;
647 otherwise, the budget resolution shall either:

648 (I) Not go into effect and the local board of education shall prepare a new proposed
649 budget which is projected not to increase the revenues raised by the local board of
650 education by an amount that exceeds the 3 percent limitation provided for in this
651 subparagraph; or

652 (II) Go into effect and the local board of education shall be required to reduce its
653 proposed budget for the subsequent year by an amount corresponding to the
654 unapproved increase exceeding the 3 percent limitation.

655 (B) A local board of education shall not be required to hold either or both of the public
656 meetings required under paragraph (1) of this subsection after a proposed annual
657 operating budget resolution has been approved in a referendum election required under
658 subparagraph (A) of this paragraph.

659 (C) Nothing in this paragraph shall be construed to require that the public meetings of
660 a local board of education required under paragraph (1) of this subsection shall be held
661 at any particular time either prior to or following the referendum election required
662 under subparagraph (A) of this paragraph."

663 **SECTION 5-4.**

664 Title 36 of the Official Code of Georgia Annotated, relating to local government, is amended
665 in Code Section 36-81-3, relating to establishment of fiscal year, requirement of annual
666 balanced budget, adoption of budget ordinances or resolutions generally, budget
667 amendments, and uniform chart of accounts, by revising subsection (d) as follows:

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668 "(d) Nothing contained in this Code section shall preclude a local government from
669 amending its budget so as to adapt to changing governmental needs during the budget
670 period; provided, however, that, on and after January 1, 2028, no such amendment shall
671 result in an increase in the revenues raised by the unit of local government from the levy
672 and collection of ad valorem property taxes by an amount that exceeds the greater of 3
673 percent or the percent change in the rate of economic inflation on individual taxpayers as
674 determined under the Consumer Price Index, as reported by the Bureau of Labor Statistics
675 of the United States Department of Labor, of the amount of such revenues which would be
676 raised by the unit of local government; provided, further, that this calculation shall not
677 include increases in a proposed budget attributable to economic growth and costs incurred
678 pursuant to a state of emergency declared by any federal, state, or local emergency
679 management agency, official, or authority. Amendments shall be made as follows, unless
680 otherwise provided by charter or local law:

- 681 (1) Any increase in appropriation at the legal level of control of the local government,
682 whether accomplished through a change in anticipated revenues in any fund or through
683 a transfer of appropriations among departments, shall require the approval of the
684 governing authority. Such amendment shall be adopted by ordinance or resolution;
- 685 (2) Transfers of appropriations within any fund below the local government's legal level
686 of control shall require only the approval of the budget officer; and
- 687 (3) The governing authority of a local government may amend the legal level of control
688 to establish a more detailed level of budgetary control at any time during the budget
689 period. Said amendment shall be adopted by ordinance or resolution."

690 **SECTION 5-5.**

691 Said title is further amended by revising Code Section 36-81-6, relating to adoption of budget
692 ordinance or resolution and form of budget, as follows:

693 "36-81-6.

694 (a)(1) On a date after the conclusion of the hearing required in subsection (f) of Code
695 Section 36-81-5, the governing authority shall adopt a budget ordinance or resolution
696 making appropriations in such sums as the governing authority may deem sufficient,
697 whether greater or less than the sums presented in the proposed budget. The budget
698 ordinance or resolution shall be adopted at a public meeting which shall be advertised in
699 accordance with the procedures set forth in subsection (e) of Code Section 36-81-5 at
700 least one week prior to the meeting, except as otherwise provided in paragraph (2) of this
701 subsection.

702 (2)(A) On and after January 1, 2028, if such budget ordinance is projected to result in
703 an increase in the revenues raised by the unit of local government from the levy and
704 collection of ad valorem property taxes by an amount that exceeds the greater of 3
705 percent or the percent change in the rate of economic inflation on individual taxpayers
706 as determined under the Consumer Price Index, as reported by the Bureau of Labor
707 Statistics of the United States Department of Labor, of the amount of such revenues
708 raised by the unit of local government, then such budget ordinance shall not go into
709 effect unless the General Assembly enacts a local Act authorizing such increase or the
710 electors of the unit of local government have approved such budget ordinance in a
711 referendum election. In calculating whether a proposed annual operating budget
712 resolution would result in such an increase in the revenues raised by the unit of local
713 government, increases in revenue attributable to economic growth and costs incurred
714 pursuant to a state of emergency declared by any federal, state, or local emergency
715 management agency, official, or authority shall not be counted.

716 (B) The call for and conduct of any such election shall be in the manner authorized
717 under Code Section 21-2-540. The costs of any referendum held pursuant to this
718 paragraph shall be paid by the unit of local government adopting such budget
719 ordinance. The exact ballot language shall be prescribed by the governing authority

720 adopting the budget ordinance but shall contain, at a minimum, the projected amount
 721 of revenue to be generated by the budget ordinance; the amount of revenue received by
 722 the unit of local government in the previous fiscal year; and a statement as to whether
 723 or not such projected revenue increase is the result of an increase in the levy or rate of
 724 ad valorem property taxes. All persons desiring to vote in favor of the budget
 725 ordinance shall vote 'Yes' and all persons opposed to the budget ordinance shall vote
 726 'No.' If more than one-half of the votes cast are in favor of the budget ordinance, then
 727 the budget ordinance shall go into effect as provided by law; otherwise, the budget
 728 ordinance shall either:

729 (i) Not go into effect and the unit of local government shall prepare a new proposed
 730 budget pursuant to Code Section 36-81-5 which is projected not to increase the
 731 revenues raised by the unit of local government by an amount that exceeds the 3
 732 percent limitation provided for in this subsection; or

733 (ii) Go into effect and the unit of local government shall be required to reduce its
 734 proposed budget for the subsequent year by an amount corresponding to the
 735 unapproved increase exceeding the 3 percent limitation.

736 (C) This paragraph shall not apply to increases in a proposed budget attributable to
 737 economic growth and costs incurred pursuant to a state of emergency declared by any
 738 federal, state, or local emergency management agency, official, or authority.

739 (b) The budget may be prepared in any form that the governing authority deems most
 740 efficient in enabling it to make the fiscal policy decisions embodied in the budget, but such
 741 budget shall be subject to the provisions of this article."

742 **SECTION 5-6.**

743 Chapter 5 of Title 48 of the Official Code of Georgia Annotated, relating to ad valorem
 744 taxation of property, is amended in Code Section 48-5-45, relating to application for

745 homestead exemption and unlawful to solicit fee to file application for homestead for
 746 another, by revising subsections (a) and (b) as follows:

747 "(a)(1) An applicant seeking a homestead exemption as provided in Code Section
 748 48-5-44 and qualifying under the provisions of Code Section 48-5-40 shall file a written
 749 application and schedule with the tax receiver or tax commissioner charged with the duty
 750 of receiving returns of property for taxation ~~at any time~~ during the calendar year
 751 subsequent to the property becoming the primary residence of the applicant up to and
 752 including:

753 (A) The the date for the closing of the books for the return of taxes for the calendar
 754 year, except that,; or

755 (B) In in the case of a property which is subject to a reassessment by the board of tax
 756 assessors, the final date to file an appeal of the annual notice of current assessment.

757 Any such application and schedule may be filed in conjunction with or in lieu of an
 758 appeal of the reassessment.

759 (2) The failure to file properly the application and schedule on or before the ~~date for the~~
 760 ~~closing of the books for the return of taxes of a calendar year in which the taxes are due~~
 761 applicable deadline under paragraph (1) of this subsection shall constitute a waiver of the
 762 homestead exemption on the part of the applicant failing to make the application for such
 763 exemption for that year.

764 (b) The owner of a homestead which is actually occupied by the owner as a residence and
 765 homestead shall not have to apply for the exemption more than once so long as the owner
 766 remains in continuous occupation of the residence as a homestead. The exemption shall
 767 automatically be renewed from year to year so long as the owner continuously occupies the
 768 residence as a homestead. In the event any person granted the exemption becomes
 769 ineligible for such exemption, such person shall notify the tax receiver or tax commissioner
 770 charged with the duty of receiving returns of property for taxation on or before the final
 771 date to file an appeal of the annual notice of current assessment."

772

PART VI

773

SECTION 6-1.

774 Title 21 of the Official Code of Georgia Annotated, relating to elections, is amended in
 775 subsection (c) of Code Section 21-2-540, relating to conduct and timing of special primaries
 776 and special elections generally, by revising paragraph (2) and adding a new paragraph to read
 777 as follows:

778 "(2) Notwithstanding any other provision of law to the contrary ~~and except as otherwise~~
 779 provided in paragraph (2.1) of this subsection, a special election to present a question to
 780 the voters shall be held only on one of the following dates which is at least 29 days after
 781 the date of the call for the special election:

782 (A) In odd-numbered years, any such special election shall only be held on the third
 783 Tuesday in March or on the Tuesday after the first Monday in November; and

784 (B) In even-numbered years, any such special election shall only be held on:

785 (i) The date of and in conjunction with the presidential preference primary if one is
 786 held that year;

787 ~~(ii) The third Tuesday in March; provided, however, that such special election shall~~
 788 ~~occur prior to July 1, 2024, and present a question to the voters on sales and use taxes~~
 789 ~~authorized by Articles 5, 5A, and 5B of Chapter 8 of Title 48;~~

790 ~~(iii)~~(ii) The date of the general primary; or

791 ~~(iv)~~(iii) The Tuesday after the first Monday in November.

792 (2.1) Notwithstanding any other provision of law to the contrary, a special election to
 793 present a question or other measure to the voters relating to an increase in revenue by
 794 a local governing authority, including a question or measure that could result in an
 795 increase in taxes shall be held only:

796 (A) In odd-numbered years, on:

797 (i) The third Tuesday in March; or

823 (5) 'Millage' or 'millage rate' means the levy, in mills, which is established by the
824 governing authority for purposes of financing, in whole or in part, the taxing jurisdiction's
825 expenses for its fiscal year.

826 (6) 'Millage equivalent' means the number of mills which would result when the total net
827 assessed value added by reassessments is divided by the certified tax digest and the result
828 is multiplied by the previous year's millage rate.

829 (7) 'Net assessed value' means the taxable assessed value of property after all
830 exemptions.

831 (8) 'Recommending authority' means a county, independent, or area school board of
832 education that exercises the power to cause the levying authority to levy ad valorem taxes
833 to carry out the purposes of such board of education.

834 (9) 'Roll-back rate' means the previous year's millage rate minus the millage equivalent
835 of the total net assessed value added by reassessments:

836 (A) As calculated and certified to the commissioner by the tax commissioner for
837 county and educational tax purposes; and

838 (B) As calculated by the collecting officer of the municipality for municipal tax
839 purposes.

840 (10) 'Taxing jurisdiction' means all the real property subject to the levy of a specific
841 levying authority or the recommended levy of a specific recommending authority.

842 (11) 'Total net assessed value added by reassessments' means the total net assessed value
843 added to the certified tax digest as a result of revaluation of existing real property that has
844 not been improved since the previous tax digest year.

845 (b) At the time of certification of the digest, the tax receiver or tax commissioner shall also
846 certify to the recommending authority and levying authority of each taxing jurisdiction the
847 total net assessed value added by reassessments contained in the certified tax digest for that
848 tax digest year of the taxing jurisdiction.

849 (c)(1) Whenever a recommending authority or levying authority shall propose to adopt
 850 a millage rate which does not exceed the roll-back rate, it shall adopt that millage rate at
 851 an advertised public meeting and at a time and place which is convenient to the taxpayers
 852 of the taxing jurisdiction, in accordance with the procedures specified under Code Section
 853 48-5-32.

854 (2) In those instances in which the recommending authority or levying authority
 855 proposes to establish a general maintenance and operation millage rate which would
 856 require increases beyond the roll-back rate, the recommending authority or levying
 857 authority shall:

858 (A) Advertise ~~advertise~~ its intent to do so and shall conduct at least three public
 859 hearings thereon, at least one of which shall commence between the hours of 6:00 P.M.
 860 and 7:00 P.M., inclusive, on a business weekday. The recommending authority or
 861 levying authority shall place an advertisement in a newspaper of general circulation
 862 serving the residents of the unit of local government and post such advertisement on the
 863 website of the recommending or levying authority, which shall read as follows:

864 'NOTICE OF PROPERTY TAX INCREASE

865 The (name of recommending authority or levying authority) has tentatively adopted a
 866 millage rate which will require an increase in property taxes by (percentage increase
 867 over roll-back rate) percent.

868 All concerned citizens are invited to the public hearing on this tax increase to be held
 869 at (place of meeting) on (date and time).

870 Times and places of additional public hearings on this tax increase are at (place of
 871 meeting) on (date and time).

872 This tentative increase will result in a millage rate of (proposed millage rate) mills, an
 873 increase of (millage rate increase above the roll-back rate) mills. Without this tentative
 874 tax increase, the millage rate will be no more than (roll-back millage rate) mills. The

875 proposed tax increase for a home with a fair market value of (average home value from
876 previous year's digest rounded to the nearest \$25,000.00) is approximately \$(increase)
877 and the proposed tax increase for nonhomestead property with a fair market value of
878 (average nonhomestead property value from previous year's digest rounded to nearest
879 \$25,000.00) is approximately \$(increase).'

880 Simultaneously with this notice the recommending authority or levying authority shall
881 provide a press release to the local media; and

882 (B) Notify each taxpayer with property in the taxing jurisdiction, by mail directed to
883 the taxpayer's last known address, of the proposed intent to exceed the roll-back rate at
884 least ten days in advance of the first public hearing. Alternatively, the recommending
885 authority or levying authority may transmit the notice to the taxpayer by electronic
886 means at least ten days in advance of the first public hearing, if such taxpayer and
887 county clerk have consented in writing to service by electronic means. The county
888 clerk shall consolidate the required information for all taxing subdivisions relevant to
889 the taxpayer's property on one notice. The notice shall include, but not be limited to:

890 (i) The roll-back rate;

891 (ii) The proposed property tax revenue needed to fund the proposed budget;

892 (iii) The proposed millage rate based upon the proposed budget and the current year's
893 total assessed valuation;

894 (iv) The millage rate and property tax of the taxing jurisdiction on the taxpayer's
895 property from the previous year's tax statement;

896 (v) The proposed percent change in the millage rate between the previous year's tax
897 rate and the proposed tax rate for the current year;

898 (vi) The appraised value and assessed value of the taxpayer's property for the current
899 year;

900 (vii) The estimates of the tax for the current tax year on the taxpayer's property based
901 on the roll-back rate and the proposed millage rate; and

902 (viii) The dates, times, and locations of the public hearings.

903 (3) The advertisement shall appear at least one week prior to each hearing, be
904 prominently displayed, not be less than 30 square inches, and not be placed in that section
905 of the newspaper where legal notices appear and shall be posted on the appropriate
906 website at least one week prior to each hearing. In addition to the advertisement specified
907 under this paragraph, the levying or recommending authority may include in the notice
908 reasons or explanations for such tax increase.

909 (4) The recommending authority or levying authority shall provide interested taxpayers
910 of the taxing jurisdiction desiring to be heard an opportunity to present oral testimony
911 within reasonable time limits and without unreasonable restriction on the number of
912 individuals allowed to make public comment.

913 ~~(4)~~(5) No recommending authority shall recommend and no levying authority shall levy
914 a millage rate in excess of the proposed millage rate as established pursuant to
915 paragraph (2) of this subsection without beginning anew the procedures and hearings
916 required by this Code section and those required by Code Section 48-5-32.

917 ~~(5)~~(6) Any notice or hearing required under this Code section may be combined with any
918 notice or hearing required under Article 1 of Chapter 81 of Title 36 or Code
919 Section 48-5-32.

920 (d) Nothing contained in this Code section shall serve to extend or authorize any millage
921 rate in excess of the maximum millage rate permitted by law or to prevent the reduction of
922 the millage rate.

923 (e) The commissioner shall not accept a digest for review or issue an order authorizing the
924 collection of taxes if the recommending authority or levying authority other than municipal
925 governing authorities has established a millage rate that is in excess of the correct rollback
926 without complying fully with the procedures required by this Code section. In the event
927 a digest is not accepted for review by the commissioner pursuant to this subsection, it shall
928 be accepted for review upon satisfactory submission by such authorities of such evidence.

929 The levies of each of the levying authorities other than the county governing authority shall
 930 be invalid and unenforceable until such time as the provisions of this Code section have
 931 been met.

932 (f) Any recommending authority or levying authority that does not comply with the
 933 provisions of subsection (c) of this Code section shall refund to taxpayers any property
 934 taxes over-collected based on the amount of the levy that was in excess of the roll-back
 935 rate. The provisions of this subsection shall not be construed as prohibiting any other
 936 remedies available under the law.

937 ~~(f)(g)~~ The commissioner shall promulgate such rules and regulations as may be necessary
 938 for the administration of this Code section."

939 SECTION 7-2.

940 Said chapter is further amended by revising Code Section 48-5-34, relating to tax bill and
 941 procedures and requirements, as follows:

942 "48-5-34.

943 ~~(a)~~ In addition to any other requirements provided by law, the ad valorem property tax bill
 944 form shall be prepared annually by the county tax commissioner or collector and furnished
 945 to each taxpayer who owes state, county, or ~~county~~ school tax for the current tax year. The
 946 form shall provide for each given levying authority and recommending authority:

947 (1) The ~~the~~ total amount of such taxes levied on property owned by the taxpayer;

948 (2) ~~The the amount of property tax credit granted by Act of the 1973 Session of~~
 949 ~~Georgia's General Assembly, and by which such taxes were reduced as a result of~~
 950 ~~exemptions, credits, and preferential assessments that were applied to such property, if~~
 951 ~~any; and~~

952 (3) ~~The the~~ net amount of such taxes due for the current tax year.

953 ~~(b) In addition to the requirements of subsection (a) of this Code section, if the millage rate~~
 954 ~~adopted by a taxing authority exceeds the estimated roll-back rate and such estimated~~

955 ~~roll-back rate was provided in the annual notice of assessment, such tax bill shall include~~
 956 ~~a notice containing the name of such taxing authority and the following statement in bold~~
 957 ~~print: 'The adopted millage rate exceeds the estimated roll-back rate as stated in the annual~~
 958 ~~notice of assessment that you previously received for this taxable year, which will result~~
 959 ~~in an increase in the amount of property tax that you will owe.'~~

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

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

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

973 **SECTION 7-3.**

974 Said chapter is further amended in Code Section 48-5-44.2, relating to base year homestead
 975 exemption, by repealing subsections (h) and (i) and revising subsections (d) and (f) as
 976 follows:

977 "(d) No person shall receive the exemption granted by subsection (b) of this Code section
 978 unless such person or person's agent files an application with the tax receiver or tax
 979 commissioner of his or her respective local government or governments charged with the
 980 duty of receiving returns of property for taxation giving such information relative to

981 receiving such exemption as will enable such tax receiver or tax commissioner to make a
982 determination regarding the initial and continuing eligibility of such person for such
983 exemption; provided, however, that any person who had previously applied for a
984 homestead exemption, was allowed such homestead exemption for the ~~2024~~ prior tax year,
985 and remains eligible for a homestead exemption for that same homestead property in
986 the ~~2025~~ current tax year shall be automatically allowed the exemption granted under
987 subsection (b) of this Code section for that homestead without further application. Such
988 tax receiver or tax commissioner shall provide application forms for this purpose."

989 "(f)(1) Except as otherwise provided in paragraph (2) or (3) of this subsection, the
990 homestead exemption granted by subsection (b) of this Code section shall be in addition
991 to and not in lieu of any other homestead exemption applicable to ad valorem taxes.

992 (2) The homestead exemption granted by subsection (b) of this Code section shall not
993 be applied in addition to any other base year value homestead exemption provided by law
994 with respect to the given taxing jurisdiction to which the such law applies. In any such
995 event, the tax receiver or tax commissioner of the taxpayer's respective local government
996 or governments charged with the duty of receiving returns of property for taxation shall
997 apply only the base year value homestead exemption that is larger or more beneficial for
998 the taxpayer with respect to the particular taxing jurisdictions to which more than one
999 base year value homestead exemption applies.

1000 (3) The homestead exemption granted by subsection (b) of this Code section shall not
1001 apply to a taxing jurisdiction that has in effect, as of the effective date of this Act, a base
1002 year value homestead exemption or an adjusted base year value homestead exemption
1003 that is generally applicable to homestead residents."

1004 **SECTION 7-4.**

1005 Said chapter is further amended by adding a new Code section to read as follows:

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1006 "48-5-51.1.

1007 (a) For taxable years beginning on or after January 1, 2026, in the event that a person fails
1008 to report his or her ineligibility for any homestead exemption that is listed on the annual
1009 notice of current assessment for the property by the final date to file an appeal of such
1010 notice, the person shall be appropriately billed for all taxes and interest due and a penalty
1011 shall be imposed in an amount equal to 50 percent of the amount by which the taxes were
1012 to be reduced from exemptions and credits for which the taxpayer was ineligible.

1013 (b) Each taxpayer shall be notified in writing at the taxpayer's last known address as it
1014 appears on the most recent records of the tax commissioner or tax collector of the reasons
1015 for the denial or removal of a homestead exemption pursuant to this Code section. Any
1016 such taxpayer shall be entitled to appeal the removal of the homestead exemption and the
1017 application of penalties in the same manner provided in Code Section 48-5-311.

1018 (c) The local tax receiver or tax commissioner shall collect and remit any tax, penalty, or
1019 interest due under this Code section in the same manner as other taxes."

1020 **SECTION 7-5.**

1021 Said chapter is further amended by adding a new Code section to read as follows:

1022 "48-5-57.

1023 Recognizing the importance and value of properly granting and continually allowing
1024 homestead exemptions, beginning January 1, 2028, each local tax official charged by law
1025 with the duty of reviewing applications for homestead exemptions shall submit to the
1026 department a database of taxpayers that have been granted or denied a homestead
1027 exemption for property within its jurisdiction. Such submissions shall be made annually
1028 for each taxing jurisdiction at the same time as the county digest is submitted to the
1029 commissioner. The commissioner shall maintain a database of homestead information
1030 throughout the state in a manner which allows local tax officials access to review and
1031 ensure accuracy of their jurisdiction's properties receiving homestead exemptions. Each

1032 such local tax official shall review said database prior to approving a homestead exemption
1033 and on an annual basis prior to issuing the notices of assessment for the taxing jurisdiction."

1034 **SECTION 7-6.**

1035 Said chapter is further amended by revising Code Section 48-5-302, relating to time for
1036 completion of revision and assessment of returns and submission of completed digest to
1037 commissioner, as follows:

1038 "48-5-302.

1039 Each county board of tax assessors and each municipal official responsible for collecting
1040 municipal ad valorem property taxes shall complete its revision and assessment of the
1041 returns of taxpayers in its respective county or municipality by July 15 of each year, except
1042 that, in all counties or municipalities providing for the collection and payment of ad
1043 valorem taxes in installments, such date shall be June 1 of each year; provided, however,
1044 that nothing in this Code section shall be construed to prevent a municipality and county
1045 from entering into a contract for the county to perform such duty on behalf of such
1046 municipality. The tax receiver or tax commissioner shall then immediately forward one
1047 copy of the completed digest to the commissioner for examination and approval."

1048 **SECTION 7-7.**

1049 Said chapter is further amended by revising Code Section 48-5-303, relating to correction of
1050 mistakes in county tax digests and notification of correction, as follows:

1051 "48-5-303.

1052 (a)(1) The county board of tax assessors shall have authority to correct factual errors in
1053 the tax digest when discovered within three years and when such corrections are of
1054 benefit to the taxpayer. Such corrections, after approval of the county board of tax
1055 assessors, shall be communicated to the taxpayer and notice shall be provided to the tax
1056 commissioner.

1057 (2) If the county board of tax assessors discovers a factual error in the tax digest which
1058 is not of benefit to the taxpayer and which relates to an improperly or mistakenly applied
1059 homestead exemption that was not due to any intentional misrepresentation or fraudulent
1060 act on the part of the taxpayer, the tax receiver or tax commissioner shall be prohibited
1061 from retroactively assessing the taxpayer the difference in ad valorem taxes actually paid
1062 by the taxpayer and the amount of ad valorem taxes that would have been assessed on the
1063 taxpayer but for the improperly or mistakenly applied homestead exemption.
1064 (b) If a tax receiver or tax commissioner makes a mistake in the digest which is not
1065 corrected by the county board of tax assessors or county board of equalization, the
1066 commissioner, with the sanction of the Governor, shall correct the mistake by making the
1067 necessary entries in the digest furnished the commissioner. The commissioner shall notify
1068 the county governing authority and the tax collector of the county from which the digest
1069 comes of the mistake and correction."

1070 **SECTION 7-8.**

1071 Said chapter is further amended by repealing Code Section 48-5-306.2, relating to annual
1072 calculation and certification of estimated roll-back rate, in its entirety.

1073 **PART VIII**

1074 **SECTION 8-1.**

1075 This Act shall become effective upon its approval by the Governor or upon its becoming law
1076 without such approval.

1077 **SECTION 8-2.**

1078 All laws and parts of laws in conflict with this Act are repealed.