

The House Committee on Ways & Means offers the following substitute to SR 56:

A RESOLUTION

1 Proposing an amendment to the Constitution so as to remove the cap on benefits granted
2 pursuant to the Homeowner's Incentive Adjustment clause; to authorize the General
3 Assembly to provide by general law for local grant and adjustment programs; to authorize
4 the General Assembly to provide for a local school system to impose a local option sales tax
5 to offset a reduction in homestead property tax relief; to provide for related matters; to
6 provide for the submission of this amendment for ratification or rejection; and for other
7 purposes.

8 BE IT RESOLVED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 SECTION 1.

10 Article VII, Section IIA of the Constitution is amended by revising Paragraph I as follows:

11 "Paragraph I. *State and local grants; adjustment amount.* (a) For each taxable year, a
12 homeowner's incentive adjustment may be applied to the return of each taxpayer claiming
13 such state-wide homestead exemption as may be specified by general law. The General
14 Assembly by general law may authorize local governments and local school systems to
15 establish local grant programs and to appropriate local tax funds in support of local
16 homeowner's incentive adjustments.

17 (b) The amount of such adjustment the adjustment applied pursuant to subparagraph (a)
 18 of this Paragraph may provide a taxpayer with a benefit equivalent to a homestead
 19 exemption of up to \$18,000.00 of the assessed value of a taxpayer's homestead or the
 20 taxpayer's ad valorem property tax liability on the homestead, whichever is lower. The
 21 General Assembly may appropriate such amount each year for grants to local governments
 22 and ~~school districts~~ local school systems as homeowner tax relief grants.

23 (c) The adjustments and grants authorized by this Paragraph shall be made in such
 24 manner and shall be subject to the procedures and conditions as may be specified by
 25 general law heretofore or hereafter enacted."

26 SECTION 2.

27 Article VIII, Section VI of the Constitution is amended by adding a new paragraph to read
 28 as follows:

29 "Paragraph V. *Local school system local option sales tax.* The General Assembly may
 30 provide by general law for local school systems to impose, levy, and collect a sales and use
 31 tax for the purpose of property tax relief of such local school system. Such tax shall be at
 32 the rate of 1 percent and shall be imposed for a period of time not to exceed five years.
 33 Proceedings for the reimposition of such tax shall be in the same manner as proceedings
 34 for the initial imposition of the tax, but the newly authorized tax shall not be imposed until
 35 the expiration of the tax then in effect."

36 SECTION 3.

37 The above proposed amendment to the Constitution shall be published and submitted as
 38 provided in Article X, Section I, Paragraph II of the Constitution. The ballot submitting the
 39 above proposed amendment shall have written or printed thereon the following:

40 " YES Shall property tax relief be provided to homeowners by authorizing local
41 NO grants and adjustments, by removing the current cap on benefits provided to
42 homeowners, and by authorizing the General Assembly to provide by general
43 law for a sales tax to offset such property tax relief?"

44 All persons desiring to vote in favor of ratifying the proposed amendment shall vote "Yes."
45 All persons desiring to vote against ratifying the proposed amendment shall vote "No." If
46 such amendment shall be ratified as provided in said Paragraph of the Constitution, it shall
47 become a part of the Constitution of this state.