

House Bill 1581 (AS PASSED HOUSE AND SENATE)

By: Representatives Bonner of the 73rd, Mathiak of the 82nd, Jackson of the 68th, and Bazemore of the 69th

A BILL TO BE ENTITLED
AN ACT

1 To provide a homestead exemption from City of Fayetteville ad valorem taxes for municipal
2 purposes in a floating proportional amount based upon any increased property tax collections
3 that exceed the value of property taxes collected in tax year 2025; to provide for definitions;
4 to specify the terms and conditions of the exemption and the procedures relating thereto; to
5 provide for applicability; to provide for compliance with constitutional requirements; to
6 provide for a referendum, effective dates, automatic repeal, mandatory execution of election,
7 and judicial remedies regarding failure to comply; to provide for related matters; to repeal
8 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 for municipal purposes" means all ad valorem taxes for municipal
13 purposes levied by, for, or on behalf of the City of Fayetteville, including, but not limited
14 to, any ad valorem taxes to pay interest on and to retire municipal bonded indebtedness.

15 (2) "Base year" means the taxable year beginning on January 1, 2025.

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

18 (b) Each resident of the City of Fayetteville is granted an exemption on such person's
19 homestead from City of Fayetteville ad valorem taxes for municipal purposes in an amount
20 authorized by and calculated pursuant to subsection (c) of this section as determined by the
21 governing authority of the City of Fayetteville. Such homestead exemption shall commence
22 on January 1, 2027. The value of that property in excess of such exempted amount shall
23 remain subject to taxation.

24 (c)(1) In any tax year subsequent to the base year, the governing authority of the City of
25 Fayetteville shall determine the amount of ad valorem taxes for municipal purposes
26 collected from all properties that is in excess of the ad valorem taxes for municipal
27 purposes collected from all properties in the base year.

28 (2) If the excess amount of ad valorem taxes for municipal purposes collected from all
29 properties in a particular tax year exceeds 100 percent of the ad valorem taxes for
30 municipal purposes collected from all properties in the base year, the full value of such tax
31 collections exceeding such amount shall be segregated from all other proceeds of the ad
32 valorem taxes for municipal purposes collected in such tax year, and such segregated funds
33 shall be maintained to offset the cost of the exemption provided by this Act in the next
34 subsequent tax year. As soon as the tax digest for the next subsequent tax year is approved,
35 the governing authority of the City of Fayetteville shall calculate the dollar value to be
36 equally applied to all properties receiving the exemption provided for by this Act in such
37 next subsequent tax year. The value of the exemption to be provided each year shall be at
38 the discretion of the governing authority of the City of Fayetteville and which value may
39 be set at an amount that does not use all of the segregated funds provided for in this
40 paragraph. In the event that the value of the exemption set in a particular year does not use
41 all of the segregated funds, the remainder of such funds shall be deposited in the general
42 fund of the city. In no event shall the value of the exemption be set at an amount that

43 would exceed the value of the segregated funds provided for in this paragraph for a
44 particular year. The segregated amount from the previous tax year, plus any interest earned
45 on such segregated funds, shall be utilized as provided for in this paragraph.

46 (3) If the excess amount of ad valorem taxes for municipal purposes collected from all
47 properties in a particular tax year is negative or does not exceed 100 percent of the ad
48 valorem taxes for municipal purposes collected from all properties in the base year, the
49 value of the homestead exemption provided by this Act for the next subsequent tax year
50 shall be zero dollars.

51 (d) A person shall not receive the homestead exemption granted by subsection (b) of this
52 section unless such person or person's agent files an application with the governing authority
53 of the City of Fayetteville, giving such information relative to receiving such exemption as
54 will enable such governing authority to make a determination regarding the initial and
55 continuing eligibility of such person for such exemption. The City of Fayetteville shall
56 provide application forms for this purpose.

57 (e) The exemption shall be claimed and returned as provided in Code Section 48-5-50.1 of
58 the O.C.G.A., as amended. The exemption shall be automatically renewed from year to year
59 so long as the person granted the homestead exemption under subsection (b) of this section
60 occupies such residence as a homestead. After a person has filed the proper application as
61 provided in subsection (d) of this section, it shall not be necessary to make application
62 thereafter for any year, and such exemption shall continue to be allowed to such person. It
63 shall be the duty of any person granted the homestead exemption under subsection (b) of this
64 section to notify the governing authority of the City of Fayetteville, or the designee thereof,
65 in the event that such person for any reason becomes ineligible for such exemption.

66 (f) The exemption granted by subsection (b) of this section shall not apply to or affect any
67 state ad valorem taxes, county ad valorem taxes for county purposes, or county or
68 independent school district ad valorem taxes for educational purposes. The homestead
69 exemption granted by subsection (b) of this section shall be in addition to and not in lieu of

70 any other homestead exemption applicable to City of Fayetteville ad valorem taxes for
71 municipal purposes.

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

74 **SECTION 2.**

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

78 **SECTION 3.**

79 The municipal election superintendent of the City of Fayetteville shall call and conduct an
80 election as provided in this section for the purpose of submitting this Act to the electors of
81 the City of Fayetteville for approval or rejection. The municipal election superintendent shall
82 conduct that election on the Tuesday following the first Monday in November, 2026, and
83 shall issue the call and conduct that election as provided by general law. The municipal
84 election superintendent shall cause the date and purpose of the election to be published once
85 a week for two weeks immediately preceding the date thereof in the official organ of Fayette
86 County. The ballot shall have written or printed thereon the words:

87 " YES Shall the Act be approved which provides a homestead exemption from City
88 of Fayetteville ad valorem taxes for municipal purposes in a floating
89 NO proportional amount based upon the amount of property taxes collected in
90 a particular tax year that exceed the value of property taxes collected in tax
91 year 2025?"

92 All persons desiring to vote for approval of the Act shall vote "Yes," and all persons desiring
93 to vote for rejection of the Act shall vote "No." If more than one-half of the votes cast on
94 such question are for approval of the Act, Section 1 of this Act shall become of full force and

95 effect on January 1, 2027. If the Act is not so approved or if the election is not conducted
96 as provided in this section, Section 1 of this Act shall not become effective, and this Act shall
97 be automatically repealed on the first day of January immediately following that election
98 date. The expense of such election shall be borne by the City of Fayetteville. It shall be the
99 municipal election superintendent's duty to certify the result thereof to the Secretary of State.
100 The provisions of this section shall be mandatory upon the municipal election superintendent
101 and are not intended as directory. If the municipal election superintendent fails or refuses
102 to comply with this section, any elector of the City of Fayetteville may apply for a writ of
103 mandamus to compel the municipal election superintendent to perform his or her duties
104 under this section. If the court finds that the municipal election superintendent has not
105 complied with this section, the court shall fashion appropriate relief requiring the municipal
106 election superintendent to call and conduct such election on the date required by this section
107 or on the next date authorized for special elections provided for in Code Section 21-2-540
108 of the O.C.G.A.

109 **SECTION 4.**

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

112 **SECTION 5.**

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