

ADOPTED

Representatives Blackmon of the 146th and Burns of the 159th offers the following amendment:

1 *Amend the substitute to HB 1116 (LC 59 0475S) by deleting lines 1 through the end and*
2 *inserting in lieu thereof the following:*

3 To amend Titles 20, 21, 36, and 48 of the Official Code of Georgia Annotated, relating to
4 education, elections, local government, and revenue and taxation, respectively, so as to
5 provide for property tax reform; to provide for distribution and use of special district option
6 sales and use tax proceeds (FLOST); to establish a Local Homestead Option Sales Tax
7 (LHOST); to provide for imposition, collection, and distribution of proceeds; to provide for
8 definitions; to exclude amounts attributable to certain exemptions from ad valorem taxation
9 from the equalized adjusted school property tax digest for the purpose of calculating the local
10 five mill share and equalization grants; to increase the cap on reserve funds for local school
11 systems; to require the proposed annual operating budget resolution of a local board of
12 education to be approved in a referendum election if such resolution would increase certain
13 revenues raised by the local board of education by a certain amount; to provide that certain
14 proposed increases in revenue collections by local governments must be approved by the
15 voters of such local government; to limit the dates of a special election presenting a question
16 by a local government to increase revenues; to revise provisions relating to certification of
17 assessed taxable value of property and method of computation, resolution or ordinance
18 required for millage rate, and advertisement of intent to increase property tax; to make the
19 state-wide base year homestead exemption mandatory for all political subdivisions; to revise
20 definitions, limits, and procedures related to the state-wide base year homestead exemption;
21 to require municipal and school officials to submit certain information relating to ad valorem
22 taxes; to prohibit the retroactive assessment of additional ad valorem taxes to a taxpayer due
23 to an improperly or mistakenly applied homestead exemption at no fault of the taxpayer; to

24 provide for the holding of a nonbinding, advisory referendum election to determine whether
25 the qualified electors of the State of Georgia desire that the Georgia General Assembly allow
26 Georgians to decide whether to authorize new finance procedures for local governments and
27 school systems for the purpose of providing complete property tax relief for homeowners;
28 to make conforming changes; to provide for related matters; to provide for short titles; to
29 provide an effective date; to repeal conflicting laws; and for other purposes.

30 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

31 **PART I**
32 **SECTION 1-1.**

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

35 **PART II**
36 **SECTION 2-1.**

37 Chapter 8 of Title 48 of the Official Code of Georgia Annotated, relating to sales and use tax,
38 is amended in Code Section 48-8-6, relating to prohibition of political subdivisions from
39 imposing various taxes, ceiling on local sales and use taxes, and taxation of mobile
40 telecommunications, by revising subparagraph (a)(1)(C) as follows:

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

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SECTION 2-2.

Said chapter is further amended by revising subsection (a) of Code Section 48-8-109.42, relating to use of tax proceeds, property tax relief requirements, and noncompliance, as follows:

"(a) Any proceeds received by a political subdivision from the tax authorized by this article shall be used by such political subdivision exclusively for tax relief and in conjunction with all limitations provided in the intergovernmental agreement authorizing the tax for such political subdivision as follows:

(1) With respect to the proceeds of the tax received by a political subdivision prior to July 1 of a given calendar year in which the tax is imposed under this article for such political subdivision, the governing authority of such political subdivision shall apply such proceeds to reduce homestead ad valorem property taxes for such year; and

(2) With respect to the proceeds of the tax received by a political subdivision on or after July 1 of a given calendar year in which the tax is imposed under this article for such political subdivision, the governing authority of such political subdivision shall apply such proceeds to reduce homestead ad valorem property taxes for the subsequent year."

SECTION 2-3.

Said chapter is further amended by adding a new article to read as follows:

"ARTICLE 2C

48-8-109.50.

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

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

67 (1) 'Eligible local government' means any county, consolidated government, or
68 municipality for which a homestead exemption is in effect by local Act in accordance
69 with Code Section 48-8-109.52 and whose governing authority levied and derived
70 revenue from an ad valorem tax on homestead property within the special district at a net
71 millage rate of greater than zero in the tax year preceding the effective date of such local
72 Act. Such term excludes any local government that levies the tax authorized under
73 Article 4 of this chapter.

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

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

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

82 (3) 'Local Homestead Option Sales Tax' or 'LHOST' means any special sales and use tax
83 levied under this article to fund homestead exemptions granted by local Act for eligible
84 local governments in accordance with this article.

85 48-8-109.51.

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

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

93 (c) The territory of each special district shall exclude any territory within which the tax
94 provided for in Article 4 of this chapter is levied.

95 48-8-109.52.

96 (a) Subject to the requirements of this article and the sales tax rate limitations imposed by
97 Code Section 48-8-6, beginning January 1, 2028, there shall be imposed within any special
98 district a special sales and use tax to be levied and collected to fund homestead exemptions
99 from ad valorem taxes imposed by eligible local governments on homestead property
100 within the special district. Any such tax shall be known as an 'LHOST.'

101 (b) An LHOST shall begin to be levied and collected in a given special district on the first
102 day of the next succeeding calendar quarter which begins more than 50 days after
103 certification of the result of the election approving the local Act granting a homestead
104 exemption in accordance with this article and applicable to the county or consolidated
105 government that is conterminous with the special district.

106 (c) Each local Act enacted pursuant to this article shall:

107 (1) Be adopted and approved by local referendum in accordance with Article VII,
108 Section II, Paragraph II(a)(2) of the Constitution;

109 (2) Incorporate, by reference to this article, the terms and conditions specified under this
110 article;

111 (3) Exempt homestead property within the special district from all ad valorem taxes
112 imposed by the governing authority of the local government for all purposes in an amount
113 to be determined annually based upon the net proceeds of the sales and use tax collected
114 under this article within the special district;

115 (4) Provide that such homestead exemption shall be allowed in addition to and not in lieu
116 of any other homestead exemption applicable to the homestead property;

117 (5) Provide that such homestead exemption shall become effective on January 1 of the
118 year subsequent to the approval of the local Act in the requisite referendum;

119 (6) Include only those portions of real property located within the applicable special
120 district established pursuant to this article; and

121 (7) Provide that the homestead exemption shall not apply to or affect any ad valorem
122 taxes other than those levied by the governing authority of the local government to which
123 the local Act applies.

124 48-8-109.53.

125 (a) When the imposition of a local sales and use tax is authorized according to the
126 procedures provided in this article within a special district, the county whose geographical
127 boundary is conterminous with that of the special district shall levy a local sales and use
128 tax at the rate of 1 percent.

129 (b) Except as otherwise provided in this article, the LHOST shall correspond to the tax
130 imposed by Article 1 of this chapter, and no item or transaction which is not subject to
131 taxation under Article 1 of this chapter shall be subject to a tax imposed under this article;
132 provided, however, that a tax imposed under this article shall apply to sales of motor fuels
133 as prepaid local tax as defined in Code Section 48-8-2 and shall be applicable to the sale
134 of food and food ingredients and alcoholic beverages as provided for in Code
135 Section 48-8-3. The levy of such tax upon sales of motor fuels as defined in Code
136 Section 48-9-2 shall only be imposed on the retail sales price of the motor fuel which is not
137 more than \$3.00 per gallon.

138 (c) With respect to services that are regularly billed on a monthly basis, an LHOST shall
139 apply to the first regular billing period coinciding with or following the effective date of
140 the LHOST.

141 48-8-109.54.

142 (a) The tax shall cease to be imposed on the final day of the maximum period of time,
143 which shall not exceed ten years, as specified in the local Act granting the homestead
144 exemption for the county or consolidated government.

145 (b) The tax may be renewed for any special district in the same manner and under the same
146 conditions as for an initial imposition of the tax. Such newly authorized tax shall not be
147 imposed until the expiration of the tax then in effect.

148 48-8-109.55.

149 (a) Each LHOST shall be exclusively administered and collected by the commissioner for
150 the use and benefit of the special district imposing the tax. Such administration and
151 collection shall be accomplished in the same manner and subject to the same applicable
152 provisions, procedures, and penalties provided in Article 1 of this chapter except that the
153 LHOST shall be applicable to sales of motor fuels as prepaid local tax as defined in Code
154 Section 48-8-2; provided, however, that all moneys collected from each taxpayer by the
155 commissioner shall be applied first to such taxpayer's liability for taxes owed the state; and
156 provided, further, that the commissioner may rely upon a representation by or on behalf of
157 the county government or the Secretary of State that such a tax has been validly imposed,
158 and the commissioner and the commissioner's agents shall not be liable to any person for
159 collecting any such tax which was not validly imposed.

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

165 (c) Each sales and use tax return remitting sales and use taxes collected under this article
166 shall separately identify the location of each retail establishment at which any of the sales

167 and use taxes remitted were collected and shall specify the amount of sales and the amount
168 of taxes collected at each establishment for the period covered by the return to facilitate the
169 determination by the commissioner that all sales and use taxes imposed by this article are
170 collected and distributed according to situs of sale.

171 48-8-109.56.

172 (a) The proceeds of the tax collected by the commissioner under this article shall be
173 disbursed as soon as practicable after collection directly to the county whose boundary is
174 conterminous with the boundary of the special district to be held in trust for the special
175 district in an interest-bearing account and distributed thereafter by such county among the
176 eligible local governments within the special district in accordance with the provisions of
177 Code Section 48-8-109.57 and Code Section 48-8-109.58.

178 (b) No funds other than the annual LHOST proceeds, and interest accrued thereon, shall
179 be placed in such accounts. The funds within such accounts shall not be commingled with
180 any other funds of the county.

181 48-8-109.57.

182 (a) Following the adoption of millage rates each year by all eligible local governments and
183 prior to the printing of ad valorem tax bills, the county tax commissioner shall calculate the
184 amount of the assessed value to be exempted for homestead property within the special
185 district for which any local Acts are in effect under this article. The amount of the assessed
186 value of each homestead property that shall be exempted shall be calculated each tax year
187 based on the total value of all homestead property of the special district, the net millage
188 rates adopted by each eligible local government for such tax year, and the net proceeds of
189 the LHOST which are available in the trust account as of August 1 of such year.

190 (b) For an LHOST imposed within a special district which has a single eligible local
191 government, the county tax commissioner shall calculate the maximum amount of assessed

192 value of homestead property which may be exempted from all ad valorem taxes imposed
193 by such single eligible local government on homestead property within the special district,
194 which calculation shall be based upon the proceeds of the LHOST available in the trust
195 account as of August 1 of such year, the total assessed value of all homestead property in
196 the special district, and the net millage rates imposed by such single eligible local
197 government on such homestead property.

198 (c) For an LHOST imposed within a special district which has one or more eligible local
199 governments, following the adoption of millage rates each year by all such eligible local
200 governments, but not later than September 2, the county tax commissioner shall calculate
201 the single, maximum amount of assessed value which may be exempted throughout the
202 special district for all homestead property from all applicable ad valorem taxes imposed by
203 the eligible local governments within the special district, which calculation shall be based
204 upon the proceeds of the LHOST available in the trust account as of August 1 of such year,
205 the total assessed value of all homestead property in the special district, and the net millage
206 rates imposed by each such eligible local government on the homestead property within its
207 territory within the special district.

208 (d) In the event that the proceeds collected for a special district exceed the amount
209 necessary to exempt all homestead property from all ad valorem taxes imposed by all
210 eligible local governments on homestead property within the special district, the excess
211 proceeds shall be calculated by the county tax commissioner and applied in a manner to
212 reduce the net millage rates in effect on property within the special district by an equal
213 percentage across all eligible local governments in the special district for such tax year.

214 (e) For the purposes of subsection (c) of this Code section, in the event an eligible local
215 government fails to submit its adopted millage rates by September 1, the county tax
216 commissioner shall use 90 percent of such eligible local government's prior year's net
217 millage rates applicable to homestead property in the special district in the calculation
218 under this Code section and the county shall only disburse, under Code

219 Section 48-8-109.58, the lesser of such amount and the net millage rate actually levied by
220 such eligible local government in the current year.

221 48-8-109.58.

222 (a) Prior to mailing ad valorem tax bills for homestead property, the tax collector for each
223 eligible local government shall apply the homestead exemption calculated by the county
224 tax commissioner under subsection (b) or (c) of Code Section 48-8-109.57 to each ad
225 valorem property tax bill for homestead property. Each ad valorem tax bill for homestead
226 property shall reflect the taxpayer's gross ad valorem tax savings which resulted from the
227 LHOST homestead exemption.

228 (b) In the event of excess proceeds described in subsection (d) of Code
229 Section 48-8-109.57, prior to mailing ad valorem tax bills, the tax collector for each
230 eligible local government shall apply the reduction calculated under subsection (d) of Code
231 Section 48-8-109.57 to each ad valorem property tax bill. If applicable, each ad valorem
232 tax bill shall reflect the taxpayer's gross ad valorem tax savings which resulted from such
233 LHOST millage rate reduction.

234 (c) Within 30 days of an eligible local government's mailing of its ad valorem tax bill for
235 a given tax year, the county shall disburse LHOST funds from the trust account to each
236 eligible local government in the amount of ad valorem property tax revenue that the given
237 eligible local government did not collect due to the amount of the homestead exemption
238 determined under Code Section 48-8-109.57, applied pursuant to subsection (a) of this
239 Code section, and as granted through the local Act required under this article and, if
240 applicable, the county shall also disburse the amount of revenue foregone due to the
241 reduction of the eligible local government's millage rates provided for in subsection (d) of
242 Code Section 48-8-109.57 and subsection (b) of this Code section.

243 (d) No disbursement shall be made to any governing authority until such governing
244 authority has mailed ad valorem tax bills for a given year.

245 48-8-109.59.

246 Where a local sales and use tax has been paid with respect to tangible personal property by
247 the purchaser either in another local tax jurisdiction within the state or in a tax jurisdiction
248 outside the state, the tax may be credited against the tax authorized to be imposed by this
249 article upon the same property. If the amount of sales and use tax so paid is less than the
250 amount of such tax due under this article, the purchaser shall pay an amount equal to the
251 difference between the amount paid in the other tax jurisdiction and the amount due under
252 this article. The commissioner may require such proof of payment in another local tax
253 jurisdiction as the commissioner deems necessary and proper. No credit shall be granted,
254 however, against the tax imposed under this article for tax paid in another jurisdiction if the
255 tax paid in such other jurisdiction is used to obtain a credit against any other local sales and
256 use tax levied in the special district or any other political subdivision within the special
257 district; and taxes so paid in another jurisdiction shall be credited against the tax levied
258 under Article 2 of this chapter, if applicable, then against the tax levied under Part 1 of
259 Article 3 of this chapter, if applicable, then against the tax levied under Part 2 of Article 3
260 of this chapter, if applicable, and then against the tax levied under this article.

261 48-8-109.60.

262 No tax provided for in this article shall be imposed upon the sale of tangible personal
263 property which is ordered by and delivered to the purchaser at a point outside the
264 geographical area of the special district in which the tax is imposed regardless of the point
265 at which title passes, if the delivery is made by the seller's vehicle, and including United
266 States mail or common carrier or by a private or contract carrier licensed by the Federal
267 Motor Carrier Safety Administration or the Georgia Department of Public Safety.

268 48-8-109.61.
269 No tax provided for in this article shall be imposed upon the sale or use of buildings and
270 construction materials when the contract for which the materials are purchased or used was
271 advertised for bid prior to the local referendum held for the local Act required to initiate
272 the levy of the tax and the contract was entered into as a result of a bid actually submitted
273 in response to the advertisement prior to approval of such local Act.

274 48-8-109.62.
275 The commissioner shall have the power and authority to promulgate such rules and
276 regulations as shall be necessary for the effective and efficient administration and
277 enforcement of the collection of the tax authorized by this article.

278 48-8-109.63.
279 Except as otherwise provided in this article or Code Section 48-8-6, the tax authorized by
280 this article shall be in addition to any other local sales and use tax. The imposition of any
281 other local sales and use tax within a county, municipality, or special district shall not
282 affect the authority of a county, municipality, or special district to impose the tax
283 authorized by this article and the imposition of the tax authorized by this article shall not
284 affect the imposition of any otherwise authorized local sales and use tax within a county,
285 municipality, or special district."

286 **PART III**
287 **SECTION 3-1.**

288 Part 4 of Article 6 of Chapter 2 of Title 20 of the Official Code of Georgia Annotated,
289 relating to financing under the "Quality Basic Education Act," is amended in Code

290 Section 20-2-164, relating to local five mill share funds, by revising subsection (g) as
291 follows:

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

295 (1) The product of the number of constitutional homestead exemptions for owner
296 occupied homes pursuant to Code Section 48-5-44 granted for that year, exclusive of
297 those homestead exemptions provided pursuant to Code Sections 48-5-47, 48-5-48, and
298 48-5-52, multiplied by the amount per exemption authorized under Code Section 48-5-44;
299 provided, further, that, in any city operating an independent school system which
300 provides a homestead exemption through local legislation comparable to that provided
301 in Code Section 48-5-44, the product calculated in this paragraph shall represent the
302 number of homestead exemptions provided through the applicable local legislation
303 multiplied by the amount per exemption authorized in Code Section 48-5-44, or by the
304 amount per exemption authorized in the applicable local legislation, whichever is less;
305 and provided, further, that, if the amount per exemption authorized in Code
306 Section 48-5-44 has been changed subsequent to the year of the applicable digest, the
307 more recently adopted amount per exemption shall be used for the product calculated in
308 this paragraph;

309 (2) The product of the number of constitutional homestead exemptions for disabled
310 veterans pursuant to Code Section 48-5-48 granted for that year, multiplied by the amount
311 per exemption authorized under that Code section; provided, further, that, in any city
312 operating an independent school system which provides a homestead exemption through
313 local legislation comparable to that provided in Code Section 48-5-48, the product
314 calculated in this paragraph shall represent the number of homestead exemptions
315 provided through the applicable local legislation multiplied by the amount per exemption
316 authorized in the applicable local legislation, whichever is less; and provided, further,

317 that, if the amount per exemption authorized in Code Section 48-5-48 has been changed
318 subsequent to the year of the applicable digest, the more recently adopted amount per
319 exemption shall be used for the product calculated in this paragraph;

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

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

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

328 (B) Multiply the difference which results from subparagraph (A) of this paragraph by
329 1,000; and

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

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

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

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

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

341 (7) The difference between the assessed value and the net taxable assessed value of all
342 properties for which an exemption authorized pursuant to a local constitutional

343 amendment or Article VII, Section II, Paragraph II(a) of the Constitution was granted in
344 that year."

345 **SECTION 3-2.**

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

351 **SECTION 3-3.**

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

355 "(b)(1) Each governing body shall hold at least two public meetings, which shall not
356 occur within the same week, for the purpose of providing an opportunity for public input
357 on its proposed annual operating budget before adopting any budget; provided, however,
358 that any other public meeting or hearing held that is related to the budget as required by
359 law shall satisfy all or a portion of such requirement. The governing body of a charter
360 school with a state-wide attendance zone and students residing in 25 percent or more of
361 Georgia's counties or in three or more counties which are not geographically contiguous
362 shall conduct one such public meeting virtually and one such public meeting in the
363 county in which its primary business office is located. The public meetings shall be
364 advertised in a local newspaper of general circulation which shall be the same newspaper
365 in which other legal announcements of the board of education are advertised.

366 (2)(A)(i) On and after July 1, 2027, no proposed annual operating budget resolution
367 that would result in an increase in the revenues raised by the local board of education

368 from the levy and collection of ad valorem property taxes by an amount that exceeds
369 an aggregate total of 9 percent over any three-year period or the greater of 3 percent
370 or the percent change in the rate of economic inflation on individual taxpayers
371 annually as determined under the Consumer Price Index, as reported by the Bureau
372 of Labor Statistics of the United States Department of Labor, of the amount of such
373 revenues raised by the local board of education shall go into effect unless the General
374 Assembly enacts a local Act authorizing such increase or the electors of the local
375 school system have approved such budget resolution in a referendum election. In
376 calculating whether a proposed annual operating budget resolution would result in
377 such an increase in the revenues raised by the local board of education, increases in
378 revenue attributable to the levies of sales and use taxes collected for the purpose of
379 providing property tax relief shall be counted, but increases in revenue attributable
380 to any assessments other than those included in the determination of total net assessed
381 value added by reassessments, as such term is defined in Code Section 48-5-32.1, and
382 the levies of ad valorem property tax for costs incurred pursuant to a state of
383 emergency declared by any federal, state, or local emergency management agency,
384 official, or authority shall not be counted.

385 (ii) The call for and conduct of any such election shall be in the manner authorized
386 under paragraph (2.1) of subsection (c) of Code Section 21-2-540. The costs of any
387 referendum held pursuant to this paragraph shall be paid by the local board of
388 education. The exact ballot language shall be prescribed by the local board of
389 education but shall contain, at a minimum, the projected amount of revenue to be
390 generated by the budget resolution; the amount of revenue received by the local board
391 of education in the previous fiscal year; and a statement as to whether or not such
392 projected revenue increase is the result of an increase in the levy or rate of ad valorem
393 property taxes. All persons desiring to vote in favor of the budget resolution shall
394 vote 'Yes' and all persons opposed to the budget resolution shall vote 'No.' If more

395 than one-half of the votes cast are in favor of the budget resolution, then the budget
 396 resolution shall go into effect as provided by law; otherwise, the budget resolution
 397 shall either:

398 (I) Not go into effect and the local board of education shall prepare a new proposed
 399 budget which is projected not to increase the revenues raised by the local board of
 400 education by an amount that exceeds the 3 or 9 percent limitations provided for in
 401 this subparagraph; or

402 (II) Go into effect and the local board of education shall be required to reduce its
 403 proposed budget for the subsequent year by an amount corresponding to the
 404 unapproved increase exceeding the 3 or 9 percent limitations provided for in this
 405 subparagraph.

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

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

414 **SECTION 3-4.**

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

419 "(d) Nothing contained in this Code section shall preclude a local government from
 420 amending its budget so as to adapt to changing governmental needs during the budget

421 period; provided, however, that, on and after July 1, 2027, no such amendment shall result
422 in an increase in the revenues raised by the unit of local government from the levy and
423 collection of ad valorem property taxes by an amount that exceeds an aggregate total of 9
424 percent over any three-year period or the greater of 3 percent or the percent change in the
425 rate of economic inflation on individual taxpayers annually as determined under the
426 Consumer Price Index, as reported by the Bureau of Labor Statistics of the United States
427 Department of Labor, of the amount of such revenues which would be raised by the unit
428 of local government; provided, further, that, in calculating whether a proposed amendment
429 would result in such an increase in the revenues raised by the unit of local government,
430 increases in revenue attributable to the levies of sales and use taxes collected for the
431 purpose of providing property tax relief shall be counted, but increases in revenue
432 attributable to any assessments other than those included in the determination of total net
433 assessed value added by reassessments, as such term is defined in Code Section 48-5-32.1,
434 and the levies of ad valorem property tax for costs incurred pursuant to a state of
435 emergency declared by any federal, state, or local emergency management agency, official,
436 or authority shall not be counted. Amendments shall be made as follows, unless otherwise
437 provided by charter or local law:

- 438 (1) Any increase in appropriation at the legal level of control of the local government,
439 whether accomplished through a change in anticipated revenues in any fund or through
440 a transfer of appropriations among departments, shall require the approval of the
441 governing authority. Such amendment shall be adopted by ordinance or resolution;
- 442 (2) Transfers of appropriations within any fund below the local government's legal level
443 of control shall require only the approval of the budget officer; and
- 444 (3) The governing authority of a local government may amend the legal level of control
445 to establish a more detailed level of budgetary control at any time during the budget
446 period. Said amendment shall be adopted by ordinance or resolution."

SECTION 3-5.

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

"36-81-6.

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

(2)(A) On and after July 1, 2027, if such budget ordinance or resolution is projected to result in an increase in the revenues raised by the unit of local government from the levy and collection of ad valorem property taxes by an amount that exceeds an aggregate total of 9 percent over any three-year period or the greater of 3 percent or the percent change in the rate of economic inflation on individual taxpayers annually as determined under the Consumer Price Index, as reported by the Bureau of Labor Statistics of the United States Department of Labor, of the amount of such revenues raised by the unit of local government, then such budget ordinance or resolution shall not go into effect unless the General Assembly enacts a local Act authorizing such increase or the electors of the unit of local government have approved such budget ordinance or resolution in a referendum election. In calculating whether a proposed budget ordinance or resolution would result in such an increase in the revenues raised by the unit of local government, increases in revenue attributable to the levies of sales and use taxes collected for the purpose of providing property tax relief shall be counted, but increases in revenue attributable to any assessments other than those included in the

474 determination of total net assessed value added by reassessments, as such term is
475 defined in Code Section 48-5-32.1, and the levies of ad valorem property tax for costs
476 incurred pursuant to a state of emergency declared by any federal, state, or local
477 emergency management agency, official, or authority shall not be counted.

478 (B) The call for and conduct of any such election shall be in the manner authorized
479 under paragraph (2.1) of subsection (c) of Code Section 21-2-540. The costs of any
480 referendum held pursuant to this paragraph shall be paid by the unit of local
481 government adopting such budget ordinance. The exact ballot language shall be
482 prescribed by the governing authority adopting the budget ordinance but shall contain,
483 at a minimum, the projected amount of revenue to be generated by the budget
484 ordinance; the amount of revenue received by the unit of local government in the
485 previous fiscal year; and a statement as to whether or not such projected revenue
486 increase is the result of an increase in the levy or rate of ad valorem property taxes. All
487 persons desiring to vote in favor of the budget ordinance shall vote 'Yes' and all persons
488 opposed to the budget ordinance shall vote 'No.' If more than one-half of the votes cast
489 are in favor of the budget ordinance, then the budget ordinance shall go into effect as
490 provided by law; otherwise, the budget ordinance shall either:

491 (i) Not go into effect and the unit of local government shall prepare a new proposed
492 budget pursuant to Code Section 36-81-5 which is projected not to increase the
493 revenues raised by the unit of local government by an amount that exceeds the 3 or 9
494 percent limitations provided for in this subsection; or

495 (ii) Go into effect and the unit of local government shall be required to reduce its
496 proposed budget for the subsequent year by an amount corresponding to the
497 unapproved increase exceeding the 3 or 9 percent limitations provided for in this
498 subsection.

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

502 **PART IV**

503 **SECTION 4-1.**

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

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

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

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

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

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

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

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

522 (2.1) Notwithstanding any other provision of law to the contrary, a special election to
 523 present a question or other measure to the voters relating to an increase in revenue by

- 524 a local governing authority, including a question or measure that could result in an
 525 increase in taxes shall be held only:
 526 (A) In odd-numbered years, on:
 527 (i) The third Tuesday in March; or
 528 (ii) The Tuesday after the first Monday in November; and
 529 (B) In even-numbered years, on:
 530 (i) The date of the general primary; or
 531 (ii) The Tuesday after the first Monday in November."

532 **PART V**

533 **SECTION 5-1.**

- 534 Said chapter is further amended by revising Code Section 48-5-32.1, relating to certification
 535 of assessed taxable value of property and method of computation, resolution or ordinance
 536 required for millage rate, and advertisement of intent to increase property tax, as follows:
 537 "48-5-32.1.
 538 (a) As used in this Code section, the term:
 539 (1) 'Ad valorem tax' or 'property tax' means a tax imposed upon the assessed value of real
 540 property.
 541 (2) 'Certified tax digest' means the total net assessed value on the annual property tax
 542 digest certified by the tax commissioner of a taxing jurisdiction to the department and
 543 authorized by the commissioner for the collection of taxes, or, in the case where the
 544 governing authority of a county whose digest has not been approved by the commissioner
 545 has petitioned the superior court of the county for an order authorizing the immediate and
 546 temporary collection of taxes, the temporary digest so authorized.
 547 (3) 'Levying authority' means a county, a municipality, or a consolidated city-county
 548 governing authority or other governing authority of a political subdivision of this state

549 that exercises the power to levy ad valorem taxes to carry out the governing authority's
550 purposes.

551 (4) 'Mill' means one one-thousandth of a United States dollar.

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

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

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

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

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

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

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

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

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

574 (b) At the time of certification of the digest, the tax receiver or tax commissioner shall also
575 certify to the recommending authority and levying authority of each taxing jurisdiction the

576 total net assessed value added by reassessments contained in the certified tax digest for that
 577 tax digest year of the taxing jurisdiction.

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

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

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

593 'NOTICE OF PROPERTY TAX INCREASE

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

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

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

601 This tentative increase will result in a millage rate of (proposed millage rate) mills, an
602 increase of (millage rate increase above the roll-back rate) mills. Without this tentative
603 tax increase, the millage rate will be no more than (roll-back millage rate) mills. The
604 proposed tax increase for a home with a fair market value of (average home value from
605 previous year's digest rounded to the nearest \$25,000.00) is approximately \$(increase)
606 and the proposed tax increase for nonhomestead property with a fair market value of
607 (average nonhomestead property value from previous year's digest rounded to nearest
608 \$25,000.00) is approximately \$(increase).'

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

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

619 (i) The roll-back rate;

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

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

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

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

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

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

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

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

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

642 ~~(4)~~(5) No recommending authority shall recommend and no levying authority shall levy
 643 a millage rate in excess of the proposed millage rate as established pursuant to
 644 paragraph (2) of this subsection without beginning anew the procedures and hearings
 645 required by this Code section and those required by Code Section 48-5-32.

646 ~~(5)~~(6) Any notice or hearing required under this Code section may be combined with any
 647 notice or hearing required under Article 1 of Chapter 81 of Title 36 or Code
 648 Section 48-5-32.

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

652 (e) The commissioner shall not accept a digest for review or issue an order authorizing the
 653 collection of taxes if the recommending authority or levying authority other than municipal

654 governing authorities has established a millage rate that is in excess of the correct rollback
 655 without complying fully with the procedures required by this Code section. In the event
 656 a digest is not accepted for review by the commissioner pursuant to this subsection, it shall
 657 be accepted for review upon satisfactory submission by such authorities of such evidence.
 658 The levies of each of the levying authorities other than the county governing authority shall
 659 be invalid and unenforceable until such time as the provisions of this Code section have
 660 been met.

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

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

668 **SECTION 5-2.**

669 Said chapter is further amended in Code Section 48-5-44.2, relating to base year homestead
 670 exemption, by repealing subsections (h) and (i), revising paragraphs (2), (3), and (7) of
 671 subsection (a), and revising subsections (d) and (e) as follows:

672 "(2) 'Adjusted base year assessed value' means the sum of:

673 (A) The previous adjusted base year assessed value;

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

678 (C) The value of any substantial property change, provided that no ~~such value added~~
679 ~~improvements to the homestead~~ substantial property change shall be duplicated as to
680 the same addition, ~~or improvement,~~ or removal of real property.

681 (3) 'Base year assessed value' means:

682 (A) With respect to an exemption under this Code section which is first granted to a
683 person on such person's homestead for the 2025 taxable year, the assessed value for
684 taxable year 2024, including any final determination of value on appeal pursuant to
685 Code Section 48-5-311, of the homestead after adjustment due to any substantial
686 property change which occurred during or after taxable year 2024, provided that no
687 such adjustment shall be duplicated as to the same addition, improvement, or removal
688 of real property; or

689 (B) In all other cases, the assessed value, including any final determination of value on
690 appeal pursuant to Code Section 48-5-311, of the homestead from the taxable year
691 immediately preceding the taxable year in which the exemption under this Code section
692 is first granted to the applicant for such homestead after adjustment due to any
693 substantial property change which occurred during or after the taxable year used to
694 establish the base year assessed value for that homestead, provided that no such
695 adjustment shall be duplicated as to the same addition, improvement, or removal of real
696 property."

697 "(7) 'Substantial property change' means any increase or decrease in the assessed value
698 of a homestead derived from additions or improvements to, or the removal of real
699 property from, the homestead which occurred during or after the year in which used to
700 establish the base year assessed value ~~is determined~~ for the homestead. The assessed
701 value of the substantial property changes shall be established following any final
702 determination of value on appeal pursuant to Code Section 48-5-311."

703 "(d) No person shall receive the exemption granted by subsection (b) of this Code section
704 unless such person or person's agent files an application with the tax receiver or tax

705 commissioner of his or her respective local government or governments charged with the
706 duty of receiving returns of property for taxation, giving such information relative to
707 receiving such exemption as will enable such tax receiver or tax commissioner to make a
708 determination regarding the initial and continuing eligibility of such person for such
709 exemption; provided, however, that any person who had previously applied for a
710 homestead exemption, was allowed such homestead exemption for the ~~2024~~ immediately
711 preceding tax year, and remains eligible for a homestead exemption for that same
712 homestead property in the ~~2025~~ current tax year shall be automatically allowed the
713 exemption granted under subsection (b) of this Code section for that homestead without
714 further application. Such tax receiver or tax commissioner shall provide application forms
715 for this purpose.

716 (e)(1) The exemption granted by subsection (b) or (c) of this Code section shall be
717 claimed and returned as provided in Code Section 48-5-50.1. Such exemption shall be
718 automatically renewed from year to year so long as the owner occupies the residence as
719 a homestead. After a person or a person's agent has filed the proper application or is
720 automatically granted the homestead exemption as provided in subsection (d) of this
721 Code section, it shall not be necessary for such person or such person's surviving spouse
722 to make application thereafter for any year, and the exemption shall continue to be
723 allowed to such person or such person's surviving spouse. It shall be the duty of any
724 person granted the homestead exemption under subsection (b) or (c) of this Code section
725 to notify the tax receiver or tax commissioner of the local government or governments
726 in the event such person for any reason becomes ineligible for such exemption.

727 (2) In the event that an applicant becomes ineligible for the homestead exemption
728 granted under subsection (b) or (c) of this Code section with respect to a particular
729 homestead property and, thereafter, the applicant becomes eligible and applies for the
730 homestead exemption on such property, the base year assessed value for such homestead
731 shall be calculated in accordance with subparagraph (a)(3)(B) of this Code section as if

732 the applicant were a new applicant who had not been previously granted an exemption
733 under this Code section for such homestead."

734 **SECTION 5-3.**

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

738 "48-5-302.

739 Each county board of tax assessors, each municipal official responsible for collecting
740 municipal ad valorem property taxes, and each school official responsible for collecting ad
741 valorem property taxes for a local school system shall complete its revision and assessment
742 of the returns of taxpayers in its respective county jurisdiction by July 15 of each year,
743 except that, in all counties jurisdictions providing for the collection and payment of ad
744 valorem taxes in installments, such date shall be June 1 of each year. The tax receiver or
745 tax commissioner shall then immediately forward one copy of the completed digest to the
746 commissioner for examination and approval."

747 **SECTION 5-4.**

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

750 "48-5-303.

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

756 (2) If the county board of tax assessors discovers a factual error in the tax digest which
757 is not of benefit to the taxpayer and which relates to an improperly or mistakenly applied
758 homestead exemption that was not due to any intentional misrepresentation or fraudulent
759 act on the part of the taxpayer, the tax receiver or tax commissioner shall be prohibited
760 from retroactively assessing the taxpayer the difference in ad valorem taxes actually paid
761 by the taxpayer and the amount of ad valorem taxes that would have been assessed on the
762 taxpayer but for the improperly or mistakenly applied homestead exemption.

763 (b) If a tax receiver or tax commissioner makes a mistake in the digest which is not
764 corrected by the county board of tax assessors or county board of equalization, the
765 commissioner, with the sanction of the Governor, shall correct the mistake by making the
766 necessary entries in the digest furnished the commissioner. The commissioner shall notify
767 the county governing authority and the tax collector of the county from which the digest
768 comes of the mistake and correction."

769

PART VI

770

SECTION 6-1.

771 (a) It shall be the duty of the Secretary of State to issue the call for a nonbinding, advisory
772 referendum election to determine whether the qualified electors of the State of Georgia desire
773 that the Georgia General Assembly allow Georgians to decide whether to authorize new
774 finance procedures for local governments and school systems for the purpose of providing
775 complete property tax relief for homeowners. The Secretary of State shall conduct the
776 referendum election as provided in this section on the date of the November, 2026, general
777 election. The Secretary of State shall issue the call and conduct that referendum election as
778 provided by general law.

779 (b) The ballot at the referendum election provided under this section shall have displayed
780 or printed thereon the following:

