

Senate Bill 33

By: Senators Kirkpatrick of the 32nd, Watson of the 1st, Cowser of the 46th, Watson of the 11th, Parent of the 44th and others

AS PASSED

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 provide for distribution and use of special district option
 4 sales and use tax proceeds (FLOST); to establish a Local Homestead Option Sales Tax
 5 (LHOST); to provide for imposition, collection, and distribution of proceeds; to provide for
 6 definitions; to exclude amounts attributable to certain exemptions from ad valorem taxation
 7 from the equalized adjusted school property tax digest for the purpose of calculating the local
 8 five mill share and equalization grants; to increase the cap on reserve funds for local school
 9 systems; to limit the dates of a special election presenting a question by a local government
 10 to increase revenues; to make the state-wide base year homestead exemption mandatory for
 11 all political subdivisions; to revise definitions, limits, and procedures related to the state-wide
 12 base year homestead exemption; to require municipal and school officials to submit certain
 13 information relating to ad valorem taxes; to prohibit the retroactive assessment of additional
 14 ad valorem taxes to a taxpayer due to an improperly or mistakenly applied homestead
 15 exemption at no fault of the taxpayer; to make conforming changes; to provide for related
 16 matters; to provide for short titles; to provide an effective date; to repeal conflicting laws;
 17 and for other purposes.

18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

S. B. 33

- 1 -

PART I**SECTION 1-1.**

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

PART II**SECTION 2-1.**

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

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

SECTION 2-2.

32
33 Said chapter is further amended by revising subsection (a) of Code Section 48-8-109.42,
34 relating to use of tax proceeds, property tax relief requirements, and noncompliance, as
35 follows:

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

40 (1) With respect to the proceeds of the tax received by a political subdivision prior to
41 July 1 of a given calendar year in which the tax is imposed under this article for such

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

48 **SECTION 2-3.**

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

50 "ARTICLE 2C

51 48-8-109.50.

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

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

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

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

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

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

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

73 48-8-109.51.

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

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

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

83 48-8-109.52.

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

89 (b) An LHOST shall begin to be levied and collected in a given special district on the first
90 day of the next succeeding calendar quarter which begins more than 50 days after

91 certification of the result of the election approving the local Act granting a homestead
92 exemption in accordance with this article and applicable to the county or consolidated
93 government that is conterminous with the special district.

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

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

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

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

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

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

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

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

112 48-8-109.53.

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

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

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

129 48-8-109.54.

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

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

136 48-8-109.55.

137 (a) Each LHOST shall be exclusively administered and collected by the commissioner for
138 the use and benefit of the special district imposing the tax. Such administration and
139 collection shall be accomplished in the same manner and subject to the same applicable
140 provisions, procedures, and penalties provided in Article 1 of this chapter except that the
141 LHOST shall be applicable to sales of motor fuels as prepaid local tax as defined in Code

142 Section 48-8-2; provided, however, that all moneys collected from each taxpayer by the
143 commissioner shall be applied first to such taxpayer's liability for taxes owed the state; and
144 provided, further, that the commissioner may rely upon a representation by or on behalf of
145 the county government or the Secretary of State that such a tax has been validly imposed,
146 and the commissioner and the commissioner's agents shall not be liable to any person for
147 collecting any such tax which was not validly imposed.

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

153 (c) Each sales and use tax return remitting sales and use taxes collected under this article
154 shall separately identify the location of each retail establishment at which any of the sales
155 and use taxes remitted were collected and shall specify the amount of sales and the amount
156 of taxes collected at each establishment for the period covered by the return to facilitate the
157 determination by the commissioner that all sales and use taxes imposed by this article are
158 collected and distributed according to situs of sale.

159 48-8-109.56.

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

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

169 48-8-109.57.

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

178 (b) For an LHOST imposed within a special district which has a single eligible local
179 government, the county tax commissioner shall calculate the maximum amount of assessed
180 value of homestead property which may be exempted from all ad valorem taxes imposed
181 by such single eligible local government on homestead property within the special district,
182 which calculation shall be based upon the proceeds of the LHOST available in the trust
183 account as of August 1 of such year, the total assessed value of all homestead property in
184 the special district, and the net millage rates imposed by such single eligible local
185 government on such homestead property.

186 (c) For an LHOST imposed within a special district which has one or more eligible local
187 governments, following the adoption of millage rates each year by all such eligible local
188 governments, but not later than September 2, the county tax commissioner shall calculate
189 the single, maximum amount of assessed value which may be exempted throughout the
190 special district for all homestead property from all applicable ad valorem taxes imposed by
191 the eligible local governments within the special district, which calculation shall be based

192 upon the proceeds of the LHOST available in the trust account as of August 1 of such year,
193 the total assessed value of all homestead property in the special district, and the net millage
194 rates imposed by each such eligible local government on the homestead property within its
195 territory within the special district.

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

202 (e) For the purposes of subsection (c) of this Code section, in the event an eligible local
203 government fails to submit its adopted millage rates by September 1, the county tax
204 commissioner shall use 90 percent of such eligible local government's prior year's net
205 millage rates applicable to homestead property in the special district in the calculation
206 under this Code section and the county shall only disburse, under Code
207 Section 48-8-109.58, the lesser of such amount and the net millage rate actually levied by
208 such eligible local government in the current year.

209 48-8-109.58.

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

216 (b) In the event of excess proceeds described in subsection (d) of Code
217 Section 48-8-109.57, prior to mailing ad valorem tax bills, the tax collector for each

218 eligible local government shall apply the reduction calculated under subsection (d) of Code
219 Section 48-8-109.57 to each ad valorem property tax bill. If applicable, each ad valorem
220 tax bill shall reflect the taxpayer's gross ad valorem tax savings which resulted from such
221 LHOST millage rate reduction.

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

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

233 48-8-109.59.

234 Where a local sales and use tax has been paid with respect to tangible personal property by
235 the purchaser either in another local tax jurisdiction within the state or in a tax jurisdiction
236 outside the state, the tax may be credited against the tax authorized to be imposed by this
237 article upon the same property. If the amount of sales and use tax so paid is less than the
238 amount of such tax due under this article, the purchaser shall pay an amount equal to the
239 difference between the amount paid in the other tax jurisdiction and the amount due under
240 this article. The commissioner may require such proof of payment in another local tax
241 jurisdiction as the commissioner deems necessary and proper. No credit shall be granted,
242 however, against the tax imposed under this article for tax paid in another jurisdiction if the
243 tax paid in such other jurisdiction is used to obtain a credit against any other local sales and

244 use tax levied in the special district or any other political subdivision within the special
245 district; and taxes so paid in another jurisdiction shall be credited against the tax levied
246 under Article 2 of this chapter, if applicable, then against the tax levied under Part 1 of
247 Article 3 of this chapter, if applicable, then against the tax levied under Part 2 of Article 3
248 of this chapter, if applicable, and then against the tax levied under this article.

249 48-8-109.60.

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

256 48-8-109.61.

257 No tax provided for in this article shall be imposed upon the sale or use of buildings and
258 construction materials when the contract for which the materials are purchased or used was
259 advertised for bid prior to the local referendum held for the local Act required to initiate
260 the levy of the tax and the contract was entered into as a result of a bid actually submitted
261 in response to the advertisement prior to approval of such local Act.

262 48-8-109.62.

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

266 48-8-109.63.
267 Except as otherwise provided in this article or Code Section 48-8-6, the tax authorized by
268 this article shall be in addition to any other local sales and use tax. The imposition of any
269 other local sales and use tax within a county, municipality, or special district shall not
270 affect the authority of a county, municipality, or special district to impose the tax
271 authorized by this article and the imposition of the tax authorized by this article shall not
272 affect the imposition of any otherwise authorized local sales and use tax within a county,
273 municipality, or special district."

274 **PART III**
275 **SECTION 3-1.**

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

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

283 (1) The product of the number of constitutional homestead exemptions for owner
284 occupied homes pursuant to Code Section 48-5-44 granted for that year, exclusive of
285 those homestead exemptions provided pursuant to Code Sections 48-5-47, 48-5-48, and
286 48-5-52, multiplied by the amount per exemption authorized under Code Section 48-5-44;
287 provided, further, that, in any city operating an independent school system which
288 provides a homestead exemption through local legislation comparable to that provided
289 in Code Section 48-5-44, the product calculated in this paragraph shall represent the
290 number of homestead exemptions provided through the applicable local legislation

291 multiplied by the amount per exemption authorized in Code Section 48-5-44, or by the
292 amount per exemption authorized in the applicable local legislation, whichever is less;
293 and provided, further, that, if the amount per exemption authorized in Code
294 Section 48-5-44 has been changed subsequent to the year of the applicable digest, the
295 more recently adopted amount per exemption shall be used for the product calculated in
296 this paragraph;

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

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

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

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

316 (B) Multiply the difference which results from subparagraph (A) of this paragraph by
317 1,000; and

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

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

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

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

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

329 (7) The difference between the assessed value and the net taxable assessed value of all
330 properties for which an exemption authorized pursuant to a local constitutional
331 amendment or Article VII, Section II, Paragraph II(a) of the Constitution was granted in
332 that year."

333 **SECTION 3-2.**

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

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PART IV
SECTION 4-1.

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

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

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

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

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

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

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

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

359 (2.1) Notwithstanding any other provision of law to the contrary, a special election to
360 present a question or other measure to the voters relating to an increase in revenue by
361 a local governing authority, including a question or measure that could result in an
362 increase in taxes shall be held only:

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

364 (i) The third Tuesday in March; or

- 365 (ii) The Tuesday after the first Monday in November; and
 366 (B) In even-numbered years, on:
 367 (i) The date of the general primary; or
 368 (ii) The Tuesday after the first Monday in November."

369 **PART V**
 370 **SECTION 5-1.**

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

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

- 375 (A) The previous adjusted base year assessed value;
 376 (B) An amount equal to the difference between the current year assessed value of the
 377 homestead and the base year assessed value of the homestead, provided that such
 378 amount shall not exceed the total of the previous adjusted base year assessed value of
 379 the homestead multiplied by the inflation rate for the prior year; and
 380 (C) The value of any substantial property change, provided that no ~~such value added~~
 381 ~~improvements to the homestead~~ substantial property change shall be duplicated as to
 382 the same addition, ~~or improvement, or removal of real property.~~

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

- 384 (A) With respect to an exemption under this Code section which is first granted to a
 385 person on such person's homestead for the 2025 taxable year, the assessed value for
 386 taxable year 2024, including any final determination of value on appeal pursuant to
 387 Code Section 48-5-311, of the homestead after adjustment due to any substantial
 388 property change which occurred during or after taxable year 2024, provided that no

389 such adjustment shall be duplicated as to the same addition, improvement, or removal
390 of real property; or

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

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

405 "(d) No person shall receive the exemption granted by subsection (b) of this Code section
406 unless such person or person's agent files an application with the tax receiver or tax
407 commissioner of his or her respective local government or governments charged with the
408 duty of receiving returns of property for taxation, giving such information relative to
409 receiving such exemption as will enable such tax receiver or tax commissioner to make a
410 determination regarding the initial and continuing eligibility of such person for such
411 exemption; provided, however, that any person who had previously applied for a
412 homestead exemption, was allowed such homestead exemption for the ~~2024~~ immediately
413 preceding tax year, and remains eligible for a homestead exemption for that same
414 homestead property in the ~~2025~~ current tax year shall be automatically allowed the
415 exemption granted under subsection (b) of this Code section for that homestead without

416 further application. Such tax receiver or tax commissioner shall provide application forms
417 for this purpose.

418 (e)(1) The exemption granted by subsection (b) or (c) of this Code section shall be
419 claimed and returned as provided in Code Section 48-5-50.1. Such exemption shall be
420 automatically renewed from year to year so long as the owner occupies the residence as
421 a homestead. After a person or a person's agent has filed the proper application or is
422 automatically granted the homestead exemption as provided in subsection (d) of this
423 Code section, it shall not be necessary for such person or such person's surviving spouse
424 to make application thereafter for any year, and the exemption shall continue to be
425 allowed to such person or such person's surviving spouse. It shall be the duty of any
426 person granted the homestead exemption under subsection (b) or (c) of this Code section
427 to notify the tax receiver or tax commissioner of the local government or governments
428 in the event such person for any reason becomes ineligible for such exemption.

429 (2) In the event that an applicant becomes ineligible for the homestead exemption
430 granted under subsection (b) or (c) of this Code section with respect to a particular
431 homestead property and, thereafter, the applicant becomes eligible and applies for the
432 homestead exemption on such property, the base year assessed value for such homestead
433 shall be calculated in accordance with subparagraph (a)(3)(B) of this Code section as if
434 the applicant were a new applicant who had not been previously granted an exemption
435 under this Code section for such homestead."

436 **SECTION 5-2.**

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

440 "48-5-302.
 441 Each county board of tax assessors, each municipal official responsible for collecting
 442 municipal ad valorem property taxes, and each school official responsible for collecting ad
 443 valorem property taxes for a local school system shall complete its revision and assessment
 444 of the returns of taxpayers in its respective county jurisdiction by July 15 of each year,
 445 except that, in all counties jurisdictions providing for the collection and payment of ad
 446 valorem taxes in installments, such date shall be June 1 of each year. The tax receiver or
 447 tax commissioner shall then immediately forward one copy of the completed digest to the
 448 commissioner for examination and approval."

449 SECTION 5-3.

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

452 "48-5-303.

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

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

465 (b) If a tax receiver or tax commissioner makes a mistake in the digest which is not
466 corrected by the county board of tax assessors or county board of equalization, the
467 commissioner, with the sanction of the Governor, shall correct the mistake by making the
468 necessary entries in the digest furnished the commissioner. The commissioner shall notify
469 the county governing authority and the tax collector of the county from which the digest
470 comes of the mistake and correction."

471 **PART VI**

472 **SECTION 6-1.**

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

475 **SECTION 6-2.**

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