

House Bill 1166 (AS PASSED HOUSE AND SENATE)

By: Representatives Bonner of the 72nd, Singleton of the 71st, and Mathiak of the 73rd

A BILL TO BE ENTITLED
AN ACT

1 To provide for a new homestead exemption from Fayette County school district ad valorem
2 taxes for educational purposes in an amount equal to the amount by which the current year
3 assessed value of a homestead exceeds the adjusted base year assessed value of such
4 homestead; to provide for definitions; to specify the terms and conditions of the exemption
5 and the procedures relating thereto; to provide for related matters; to provide for
6 applicability; to provide for compliance with constitutional requirements; to provide for a
7 referendum, effective dates, and automatic repeal; to repeal conflicting laws; and for other
8 purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 style="text-align:center">**SECTION 1.**

11 (a) As used in this Act, the term:

12 (1) "Property taxes for educational purposes" means all ad valorem taxes for educational
13 purposes levied by, for, or on behalf of the Fayette County school district, but excluding
14 any ad valorem taxes to pay interest on and to retire educational bonded indebtedness.

15 (2) "Adjusted base year value" means the previous adjusted base year value adjusted
16 annually by the lesser of 3 percent or the inflation rate, plus any change in homestead
17 value, provided that no such change in homestead value shall be duplicated as to the same
18 addition or improvement.

19 (3) "Change in homestead value" means value, including any final determination of
20 value on appeal pursuant to Code Section 48-5-311 of the O.C.G.A., as amended, derived
21 from additions or improvements to, or the removal of real property of, the homestead
22 after the lowest base year value is determined.

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

25 (5) "Inflation rate" means the Consumer Price Index for all urban consumers, U.S. City
 26 Average, all items 1967-100, or a successor index as reported by the United States
 27 Department of Labor Bureau of Labor statistics.

28 (6) "Lowest base year value" means:

29 (A) Among the 2017, 2018, and 2019 taxable years, the lowest assessed value,
 30 including any final determination of value on appeal pursuant to Code Section 48-5-311
 31 of the O.C.G.A., as amended, of the homestead, with such assessed value being
 32 multiplied by 1.0423, which number represents inflation rate data for December, 2015,
 33 through December, 2017, with respect to an exemption under this Act which is first
 34 granted to a person on that person's homestead in the 2021 taxable year or who
 35 thereafter reapplies for and is granted such exemption in the 2022 taxable year, or
 36 thereafter, solely because of a change in ownership to a joint tenancy with right of
 37 survival; or

38 (B) In all other cases, the lower of the assessed value, including any final determination
 39 of value on appeal pursuant to Code Section 48-5-311 of the O.C.G.A., as amended, of
 40 the homestead, from the taxable year immediately preceding the taxable year in which
 41 the exemption under this Act is first granted to the most recent owner of such
 42 homestead or the assessed value, including any final determination of value on appeal
 43 pursuant to Code Section 48-5-311 of the O.C.G.A., as amended, of the homestead,
 44 from the taxable year in which the exemption under this Act is first granted to the most
 45 recent owner of such homestead, with respect to an exemption under this Act which is
 46 first granted to a person on that person's homestead in the 2021 taxable year or who
 47 thereafter reapplies for and is granted such exemption in the 2022 taxable year, or
 48 thereafter, solely because of a change in ownership to a joint tenancy with right of
 49 survival.

50 (7) "Previous adjusted base year value" means:

51 (A) With respect to an exemption under this Act that is first granted to a person on that
 52 person's homestead, the lowest base year value; or

53 (B) In all other cases, the adjusted base year value as calculated in the taxable year
 54 immediately preceding the current year.

55 (b) Each resident of the Fayette County school district is granted an exemption on that
 56 person's homestead from Fayette County school district property taxes for educational
 57 purposes in an amount equal to the amount by which the current year assessed value,
 58 including any final determination of value on appeal pursuant to Code Section 48-5-311
 59 of the O.C.G.A., as amended, of that homestead exceeds the adjusted base year value of
 60 the homestead. The value of that property in excess of such exempted amount shall remain
 61 subject to taxation.

62 (c) The surviving spouse of the person who has been granted the exemption provided for
63 in subsection (b) of this section shall continue to receive the exemption provided under
64 subsection (b) of this section, so long as that surviving spouse continues to occupy the
65 home as a residence and homestead.

66 (d) A person shall not receive the homestead exemption granted by subsection (b) of this
67 section unless the person or person's agent files an application with the tax commissioner
68 of Fayette County giving such information relative to receiving such exemption as will
69 enable the governing authority, or its designee, to make a determination regarding the
70 initial and continuing eligibility of such owner for such exemption. The tax commissioner
71 of Fayette County shall provide application forms for this purpose.

72 (e) The exemption shall be claimed and returned as provided in Code Section 48-5-50.1
73 of the O.C.G.A., as amended. The exemption shall be automatically renewed from year
74 to year so long as the owner occupies the residence as a homestead. After a person has
75 filed the proper application as provided in subsection (d) of this section, it shall not be
76 necessary to make application thereafter for any year and the exemption shall continue to
77 be allowed to such person. It shall be the duty of any person granted the homestead
78 exemption under subsection (b) of this section to notify the tax commissioner of Fayette
79 County in the event that person for any reason becomes ineligible for that exemption.

80 (f) The exemption granted by subsection (b) of this section shall not apply to or affect state
81 ad valorem taxes, municipal or independent school district ad valorem taxes for educational
82 purposes, or county ad valorem taxes for county purposes. The homestead exemption
83 granted by subsection (b) of this section shall be in addition to and not in lieu of any other
84 homestead exemption applicable to property taxes for educational purposes.

85 (g) The exemption granted by subsection (b) of this section shall apply to all taxable years
86 beginning on or after January 1, 2021.

87 **SECTION 2.**

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

91 **SECTION 3.**

92 The county election superintendent of Fayette County shall call and conduct an election as
93 provided in this section for the purpose of submitting this Act to the electors of the Fayette
94 County school district for approval or rejection. The county election superintendent shall
95 conduct such election on November 3, 2020, and shall issue the call and conduct such
96 election as provided by general law. The county election superintendent shall cause the date

97 and purpose of the election to be published once a week for two weeks immediately
 98 preceding the date thereof in the official organ of Fayette County. The ballot shall have
 99 written or printed thereon the words:

100 " YES Do you approve a new homestead exemption from Fayette County school
 101 district property taxes for educational purposes in the amount of the
 102 NO difference between the current year assessed value of a homestead and its
 103 lowest base year value, provided that the lowest base year value will be
 104 adjusted yearly by the lesser of 3 percent or the inflation rate?"

105 All persons desiring to vote for approval of the Act shall vote "Yes," and those persons
 106 desiring to vote for rejection of the Act shall vote "No." If more than one-half of the votes
 107 cast on such question are for approval of the Act, Section 1 of this Act shall become of full
 108 force and effect on January 1, 2021. If the Act is not so approved or if the election is not
 109 conducted as provided in this section, Section 1 of this Act shall not become effective and
 110 this Act shall be automatically repealed on the first day of January immediately following
 111 that election date. The expense of such election shall be borne by Fayette County. It shall
 112 be the county election superintendent's duty to certify the result thereof to the Secretary of
 113 State.

114 **SECTION 4.**

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

117 **SECTION 5.**

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